

coal control bill; to the Committee on Interstate and Foreign Commerce.

7838. Also, resolution of citizens and taxpayers of Waiteville, Monroe County, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7839. Also, letter signed by J. H. Randolph, general manager of the Imperial Ice Cream Co., of Parkersburg, W. Va., opposing as detrimental to the bituminous-coal industry the passage of the Davis-Kelly coal regulation bill; to the Committee on Interstate and Foreign Commerce.

7840. Also, letter from H. A. Gallagher, general manager of the Milburn By-Products Coal Co., and resolution of the Milburn Safety Club, Milburn, W. Va., opposing as detrimental to the bituminous-coal industry the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7841. Also, letter from Luther O. Griffith, Griffith Lumber Co., of Huntington, W. Va., opposing the Davis-Kelly coal bill as detrimental to the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

7842. Also, letter from the executive vice president of the First Huntington National Bank Building, Huntington, W. Va., protesting against the passage of the legislation known as the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

7843. By Mr. SMITH of West Virginia: Resolution of the Fayetteville District Political and Civic Club, of Fayetteville, W. Va., opposing the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

7844. By Mr. STEWART: Resolution of the Morristown Chamber of Commerce, Morristown, N. J., favoring economy legislation, the balancing of the Budget, and approving the action of the Committee on Ways and Means in reporting adversely the bills providing for the payment of the soldiers' bonus; to the Committee on Ways and Means.

## SENATE

FRIDAY, MAY 20, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Fess in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Hull	Reed
Bankhead	Davis	Johnson	Robinson, Ark.
Barbour	Dickinson	Jones	Robinson, Ind.
Barkley	Dill	Kean	Sheppard
Bingham	Fess	Kendrick	Shortridge
Blaine	Fletcher	Keyes	Smith
Borah	Frazier	La Follette	Smoot
Bratton	George	Lewis	Stephens
Brookhart	Glenn	Logan	Thomas, Idaho
Bulkeley	Goldsborough	Long	Thomas, Okla.
Bulow	Gore	McGill	Townsend
Capper	Hale	McNary	Trammell
Caraway	Harrison	Moses	Tydings
Cohen	Hastings	Neely	Vandenberg
Connally	Hatfield	Norris	Wagner
Coolidge	Hayden	Nye	Watson
Copeland	Hebert	Oddie	White
Costigan	Howell	Pittman	

The PRESIDING OFFICER. The Chair desires to announce that the Senator from Missouri [Mr. PATTERSON] is detained from the Senate on account of illness.

The Chair also desires to announce that the Senator from Michigan [Mr. COUZENS] and the Senator from Vermont [Mr. AUSTIN] are detained in committee meeting and that the following-named Senators are detained in the meeting of the Committee on Banking and Currency: The Senator from South Dakota [Mr. NORBECK], the Senator from Virginia [Mr. GLASS], and the Senator from Wyoming [Mr. CAREY].

Mr. HULL. I wish to announce that my colleague the senior Senator from Tennessee [Mr. McKELLAR] is necessarily detained from the Senate by illness.

Mr. SHEPPARD. I wish to announce that the junior Senator from South Carolina [Mr. BYRNES] is necessarily detained from the Senate by serious illness in his family.

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present.

### PETITIONS AND MEMORIALS

Mr. ASHURST presented memorials of sundry citizens of Phoenix and Tucson, Ariz., remonstrating against the imposition of taxes on the automobile industry, and favoring instead some form of general sales tax to be included in the pending revenue bill, which were ordered to lie on the table.

Mr. CONNALLY presented resolutions adopted by the voters' committee, Blum, Tex., opposing economy in veterans' legislation and the issuance of bonds or the imposition of taxation for relief purposes, and favoring the issuance of new currency for all relief measures, such relief to be "in the form of jobs and not charity," which were referred to the Committee on Finance.

Mr. TYDINGS presented resolutions adopted by the Men's Bible Class of the First Baptist Church, Baltimore, Md., favoring the adoption of measures to bring about the apprehension and punishment of the Lindbergh baby kidnapers and murderers, and also such measures as will prevent the repetition of crimes of this nature, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the State of Maryland, remonstrating against the imposition of taxes on the automobile industry, and favoring the raising of revenue by some form of general taxation, which were ordered to lie on the table.

He also presented the petition of Nellie S. Watson, registered nurse, and several other doctors and nurses of Tacoma Park, Md., praying for the passage of legislation providing for the dissemination of contraceptive information (birth control), which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented memorials of sundry citizens of the State of New Jersey, remonstrating against the imposition of taxes on the automobile industry, and favoring some form of general tax be included in lieu thereof in the pending revenue bill, which were ordered to lie on the table.

He also presented the memorial of the Sons of American Revolution in congress assembled, remonstrating against any further reductions in the strength of the Regular Army or any curtailment in the training of citizen components of the Army, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the Morristown (N. J.) Chamber of Commerce, favoring the immediate passage of legislation effecting economy and retrenchment in Federal expenditures, and opposing the adoption of so-called bonus proposals at the present time, which were referred to the Committee on Appropriations.

He also presented resolutions adopted by the Kiwanis Club of Hammonton in the Chamber of Commerce of Newark, in the State of New Jersey, favoring the balancing of the Budget as far as possible by retrenchment in governmental expenditures rather than increased taxes, which were referred to the Committee on Appropriations.

Mr. WALSH of Massachusetts presented letters in the nature of petitions from 300 citizens of the State of Massachusetts, praying for the passage of legislation to balance the Budget, and also for the support of the President's economy program, which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from 325 citizens of the State of Massachusetts, praying for retrenchment in governmental expenditures and the balancing of the Budget through taxation on some such basis as is offered by a general sales tax, which were referred to the Committee on Appropriations.



He also presented papers in the nature of petitions from 175 citizens of the State of Massachusetts, praying for the balancing of the Budget, the defeat of cash-bonus proposals, and the stopping of "raids on the Treasury," etc., which were referred to the Committee on Appropriations.

He also presented papers in the nature of petitions from 255 citizens of the State of Massachusetts, praying for the modification of the Volstead Act and the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented papers in the nature of petitions from 180 citizens of the State of Massachusetts, praying for the passage of legislation establishing a pension system for railroad employees, which were referred to the Committee on Interstate Commerce.

Mr. GOLDSBOROUGH presented letters in the nature of memorials from sundry citizens of the State of Maryland, remonstrating against reductions in the compensation of Federal employees, which were referred to the Committee on Appropriations.

He also presented letters in the nature of memorials from sundry citizens of the State of Maryland, remonstrating against various features of the so-called economy section of House bill 11267, the legislative appropriation bill, which were referred to the Committee on Appropriations.

He also presented a telegram in the nature of a memorial from the Tricounty Rural Letter Carriers Association, Chestertown, Md., composed of carriers of Cecil, Kent, and Queen Annes Counties, remonstrating against proposed cuts in appropriations for the Post Office Department, which was referred to the Committee on Appropriations.

He also presented telegrams in the nature of memorials from Jacob France and G. P. Bagby, president of the Western Maryland Railway Co., both of Baltimore, Md., remonstrating against the imposition of a tax of 4 cents per gallon upon lubricating oils, which were ordered to lie on the table.

He also presented a telegram and letter in the nature of memorials from citizens of the State of Maryland, remonstrating against increase in the rates on first and second class mail matter, which were ordered to lie on the table.

He also presented a telegram from J. Carroll Sullivan, of Baltimore, and a letter from Local No. 258, International Alliance Theatrical Stage Employees, of Cumberland, both in the State of Maryland, remonstrating against the imposition of taxes on admissions to amusements, which were ordered to lie on the table.

Mr. BINGHAM presented a petition of sundry citizens of Sterling, Moosup, and Oneco, all in the State of Connecticut, praying for reductions in the compensation of Federal employees and the elimination of duplicating activities, bureaus, positions, and functions in the Federal service that are not in accord with strict economy, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Riverside Association, of Riverside, Conn., favoring immediate and substantial reductions in Federal expenditures rather than increased pension and bonus legislation, and the adoption of a revenue measure that "will produce adequate revenues through the contribution of all without unduly burdening special interests and industries," which was referred to the Committee on Appropriations.

He also presented numerous petitions of sundry citizens of the State of Connecticut, favoring the passage of the veterans' bonus legislation, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Hartford District Council, Department of Connecticut, Veterans of Foreign Wars of the United States, at Manchester, Conn., opposing any reduction in pension or compensation of veterans, widows, or orphans of all wars, which was referred to the Committee on Finance.

He also presented resolutions adopted by the senior department and young people of the Trinity Methodist Episcopal Church School, of New Britain; the branch of the American Association of University Women of New London; the section of the National Council of Jewish Women of

Bozrahville; the women's organizations of Holy Trinity Church, of Middletown; and the New Haven Section, Council of Jewish Women, and the Men's Club of the United Church, both of New Haven, all in the State of Connecticut, favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by Lady Fowler Council, No. 58, of Milford, and Star Council, No. 42, of Greenwich, both of the Sons and Daughters of Liberty, in the State of Connecticut, favoring the immediate passage of legislation providing for the exclusion and expulsion of alien communists, which were referred to the Committee on Immigration.

He also presented a resolution adopted by the Woman's Christian Temperance Union of Meriden, Conn., opposing the resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by groups of the Polish National Alliance of Bristol, Willimantic, Bridgeport, Middletown, Manchester, Wallingford, New Haven, Moosup, Hartford, Southington, Stamford, Ansonia, Jewett City, Rockville, Wallingford; the Polish American Progressive Citizens' Club, of New London; and the Tadeusz Kosciuszko Society, of Norwich, all in the State of Connecticut, favoring the passage of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the State of Connecticut, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia, or other restrictive religious measures, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Ridgefield, Conn., remonstrating against the imposition of a tax of 1 cent a shell on shotgun shells, which was ordered to lie on the table.

He also presented a resolution adopted by the Fish and Game League of Southwestern Connecticut, favoring the passage of legislation to afford additional protection to the grizzly and brown bears of Alaska, and the setting aside of Admiralty Island, Alaska, as a bear sanctuary, so that these mammals may be preserved for posterity, which was referred to the Committee on Territories and Insular Affairs.

#### VETERANS' AFFAIRS AND LEGISLATION

Mr. SCHALL. Mr. President, I ask unanimous consent to insert in the RECORD and have referred to the proper committee a letter I have just received from an official of the American Legion in my State, formerly State commander of the American Legion of Minnesota.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF MINNESOTA,  
THE AMERICAN LEGION,  
Ortonville, Minn., May 17, 1932.

HON. THOMAS D. SCHALL,  
Washington, D. C.

DEAR SENATOR: Legionnaires all over this State and all over the country are primarily interested in three things which are now before the United States Senate, namely:

1. Passage of the Stelwer-Rankin widows' and orphans' bill with the needs clause eliminated.
2. Passage of the Brookhart resolution for the Senate veterans' committee.
3. Opposition to the inclusion in the Senate economy program of any reductions of benefits to the disabled.

I wish to call your attention to the fact that the widows and orphans of the Civil and Spanish-American Wars have been taken care of, but nothing has been done to take care of the widows and orphans of the non-service-connected cases of the World War. If this bill is not passed real soon, it will be too late to preserve the home in many cases, and these children will have to be sent to orphan asylums or placed in other homes.

We of the Legion do not feel that the House has shown very good faith in placing a needs clause in this piece of legislation, when in the same session they have voted \$10,000 apiece to each of the widows of the 13 Congressmen who died during this session



without making any inquiry as to whether they were rich or poor or whether they paid an income tax last year or whether they might pay one this year.

We are also especially interested in the passage of the Brookhart resolution for the Senate veterans' committee, because we feel this is the only way we can obtain a proper hearing before the Senate. Surely we are entitled to that much, at least.

We also stand solidly opposed to the inclusion in the Senate economy program of any reductions of benefits to the disabled. If there are any corrections to be made in veterans' legislation, it should be done after a full hearing and not attempted to be rushed through in a session such as this without giving the men who are entitled to every care and gratitude of a grateful Nation an opportunity to be heard.

Please understand that there has never been any doubt in my mind as to your attitude on any of these three questions for the reason that you have always given consideration to veterans' affairs and legislation, and I sincerely hope that we may count upon you to do everything you can for the carrying out of the three projects which we are most interested in during this present session.

Yours respectfully,

E. V. CLIFF,

National Executive Committeeman.

#### AGRICULTURE AND THE PHILIPPINES

Mr. SCHALL. Mr. President, also I ask unanimous consent to insert in the RECORD a letter addressed to the editor of the Minneapolis Tribune from a man who acts as agent for the Prudential Insurance Co. of America in making loans to farmers.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

#### AGRICULTURE AND THE PHILIPPINES

To the Editor of the Tribune:

Every voter in the United States should read your editorial, Tax Tropical Oils, in the Tribune, Monday morning, April 18. Every word in this article hits the bull's-eye.

Think of us importing from the Philippines annually 600,000,000 pounds of vegetable oils, duty free, produced by cheap oriental labor in direct competition with our own high-grade American life, owning and operating our farms, and deliberately strangling and impoverishing the best customer the United States has for the production of its industrial life. Why is this? Are we as a people under a legal or moral obligation to crucify ourselves in order to provide a job for this oriental life on the other side of the world? Have not the taxpayers of the United States in every way done their full paternal duty to the Philippines, the control of which we acquired without design or desire on our part?

We as a nation have only one further duty to perform, which is to grant that people their full and complete independence. Are we holding on to them at the expense of our farmers and our whole national interests because our leaders in finance found their country a highly profitable field for the investment of a hundred million dollars, more or less, of American capital which they now feel may suffer some risk if the Philippine nation is allowed its God-given right to govern itself?

We should have at once a stiff tariff on all vegetable oils or raw materials that come in and are used by us, thereby crippling our great dairy and meat-producing business. Early in our national life we had political and economic brains big enough to realize that protective-tariff walls shutting out the outside world's cheap-labor products, making the United States a self-contained nation in a large way was a sound principle for us. It is true that we violated that so-called sacred law of supply and demand which our economic poets keep singing about. But it has worked. We made an economic law of our own and are rightfully proud and glad about it.

We know that while our protective-tariff walls have created our many great billion-dollar manufacturing and other trusts, they have also been the direct cause of the elevation of the life of our industrial and working masses from what would have been a condition of semipeonage to that higher plane necessary to play the part of American citizenship.

About 12 years ago we were guilty of a great national blunder, the penalty for which has not yet been paid. We willfully overlooked the fact that the economic convulsion affecting the whole world resulting from the World War left our great basic industry, agriculture, in a defenseless position. Steps should have been immediately taken then to provide for our farmer the addition of a proper tariff protection to the price received by him for all of his products that would be consumed by our own people. If he happened to have a surplus above home requirements to sell to the outside world, he could then take the outside-world price for it, let it be ever so small, and still keep solvent and going and be a large consumer of the productions of the rest of us.

The addition of the tariff protection to the price received by our farmer on all of his products consumed at home would add but a very small fraction to the living costs of our urban and industrial life. Our whole country is at this time thoroughly alive to the fact that our consumer class pays about the same price for his baker's loaf of bread—let wheat be 50 cents or \$1.50 a bushel to the man who grows the grain. If there should be a small increase to the consumer class in the cost of living, it would be many times offset by our farmer being placed in a solvent, free-consuming condition and the placing of millions of our present jobless people back on the pay roll.

Our farmer to-day is selling his production for about one-half of the previous 10-year average price; and his outgo in taxes, interest, and for everything he has to buy is but a little below the average of 10 years past. If this continues, his survival as an independent citizen is an impossibility. It is not yet too late to correct our great national mistake. There is contained in the principle of the equalization fee and proper tariff walls the key to the solution of this real national menace which we are facing. Why not use it or any other equally effective democratic plan that will accomplish the same end. Our farmer must be in the same favored place when he sells a load of meat or grain as our aluminum or steel citizen enjoys when he sells a ton of his product.

GEORGE E. TOWLE, Minneapolis.

#### TARIFF ON LUMBER

Mr. SCHALL. Mr. President, also I ask unanimous consent to insert in the RECORD an editorial from the Minneapolis Journal dealing with a tariff on lumber.

There being no objection, the editorial was ordered to lie on the table and to be printed in the RECORD, as follows:

[From the Minneapolis Journal, Monday, May 16, 1932]

#### THE LUMBER TARIFF GRAB

Of the four tariff grabs forced into the revenue bill by skilled logrollers, by far the most unconscionable is the proposed duty of \$3 a thousand feet on lumber imports.

This lumber tariff, if left in the law, will imperil the St. Lawrence seaway, will further cut American pay rolls, and will trebly damage American agriculture.

The farmer will suffer under needlessly higher lumber prices. The farmer will suffer through delay or abandonment of the seaway project. The farmer will suffer through the further narrowing of the domestic market for the foodstuffs he produces.

With tariff barriers already erected, and rightly, against cheap Canadian farm products, Canada is left with lumber as the principal exportable commodity with which she can pay for goods purchased in the United States. If we now bar out her lumber, we shall force the further movement of American factories across the Detroit River. Already there have been invested in the Windsor area some hundred and fifty millions of American dollars, with a proportionate creation of Canadian pay rolls at the cost of abandoned American pay rolls.

To the American farmer it makes mighty little difference whether workers employed in these factories are Canadians or transplanted Americans. The fact remains that, dwelling outside the United States and making goods for Canadians inside the Canadian industrial tariff wall and outside the American agricultural tariff wall, they eat Canadian flour, butter, meat, cheese, milk, and vegetables. They wear Canadian or other British textiles. The paint on the walls of their homes is mixed in Canadian linseed oil. Their needs affect the American farmer's market little more than would be the case if they lived and worked in Australia.

So much for one rather certain result of a \$3 American-lumber tariff—Canadian retaliation in the form of industrial rates that would force still more factories across the line.

Another rather certain Canadian reprisal against the proposed high lumber tariff would be reluctance, and quite possibly flat refusal, to join with the United States in the development of the St. Lawrence seaway. Failure to build the seaway would directly affect the price of every bushel of grain grown in the Northwest, for the lower the cost of shipment to Liverpool, the higher the value of the grain at the country elevator, whether destined for the world market or for domestic consumption.

For every job created in the forests of the Pacific Northwest by the proposed lumber rate, two or more workmen in the industrial centers of America would be thrown out of employment. Add to this the abandonment of the St. Lawrence seaway project, with its promise of work for an army of laborers, and it will be seen that, as a measure for stimulating employment, the \$3 lumber tariff would be worse than a failure.

Equally indefensible is this proposal as a revenue measure. The Hawley-Smoot rate of a dollar a thousand feet on dressed softwood lumber, with rough lumber coming in free, already has cut in half the volume of imports from Canada. To treble this rate and include all softwood lumber would eliminate these imports altogether. Revenue from customs collections would be decreased rather than increased.

There is no justification for the \$3 lumber rate as a revenue measure. There is no justification for the \$3 lumber rate even as a protective measure, in the opinion of the Tariff Commission, based on an exhaustive study of the situation. And, even if there were a need for this tariff as a protective measure, why slide lumber into the revenue bill and leave out vegetable oils, commodities whose importation robs the American farmer of part of his butter market?

#### REPORTS OF COMMITTEES

Mr. WHITE, from the Committee on Claims, to which was referred the bill (S. 4318) for the relief of Horace G. Knowles, reported it with amendments and submitted a report (No. 723) thereon.

Mr. McNARY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 4614) to



amend section 14 of an act entitled "An act to adjust water-right charges, to grant certain other relief on the Federal irrigation projects, and for other purposes," approved May 25, 1926 (44 Stat. 636), as amended (46 Stat. 249), reported it without amendment and submitted a report (No. 724) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 4644) to extend the time for construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45, reported it with an amendment and submitted a report (No. 725) thereon.

He also, from the same committee, to which was referred the bill (S. 4645) to extend the times for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21, reported it without amendment and submitted a report (No. 726) thereon.

#### ENROLLED BILLS PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on the 19th instant that committee presented to the President of the United States the following enrolled bills:

S. 1335. An act to remove the limitations upon the filling of a vacancy of district judge for the district of New Jersey; and

S. 2498. An act to authorize the transfer of jurisdiction over public land in the District of Columbia.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CUTTING:

A bill (S. 4710) to amend the act approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain"; to the Committee on Public Lands and Surveys.

By Mr. TOWNSEND:

A bill (S. 4711) for the relief of Edward Xavier Linck; to the Committee on Naval Affairs.

By Mr. CAPPER:

A bill (S. 4712) authorizing the sale of certain lands no longer required for public purposes in the District of Columbia; to the Committee on the District of Columbia.

By Mr. COPELAND:

A bill (S. 4713) to confer jurisdiction on the Court of Claims to reopen, rehear, and redetermine the claim of A. W. Duckett & Co. (Inc.); to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 4714) granting a pension to Frederick Platten; to the Committee on Pensions.

By Mr. REED:

A bill (S. 4715) to authorize the transfer to the Department of Agriculture of portions of the Fort De Soto Military Reservation, Fla., and for other purposes; to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 4716) granting a pension to Jens A. Jepsen (with accompanying papers); to the Committee on Pensions.

A bill (S. 4717) to provide for expenses of the Northern Cheyenne Indian Tribal Council and authorized delegates of the tribe; to the Committee on Indian Affairs.

By Mr. KING:

A joint resolution (S. J. Res. 162) authorizing the Reconstruction Finance Corporation to make advances for the prosecution of reclamation projects in the State of Utah; to the Committee on Banking and Currency.

#### REVENUE AND TAXATION—AMENDMENTS

Mr. NORRIS and Mr. METCALF each submitted an amendment and Mr. TYDINGS submitted 504 amendments intended to be proposed by them, respectively, to House bill 10236, the revenue and taxation bill, which were severally ordered to lie on the table and to be printed.

#### INVESTIGATION OF LOBBYING ACTIVITIES

Mr. WHEELER. Mr. President, several charges have been made on the floor of the Senate with reference to the existence of a lobby here in Washington. Likewise, a charge was made recently by President Hoover to the effect that a swarm of lobbyists were haunting the Halls of Congress. Likewise, charges were made by the senior Senator from Pennsylvania [Mr. REED] and by the junior Senator from North Dakota [Mr. NYE] with reference to lobbyists.

I ask unanimous consent, out of order, for leave to introduce at this time a resolution for an investigation of these charges of lobbying, and ask that it be referred to the Committee on the Judiciary.

The PRESIDING OFFICER (Mr. DILL in the chair). Without objection, the resolution will be received and referred to the Committee on the Judiciary.

The resolution (S. Res. 215) is as follows:

Whereas on May 6, 1932, President Hoover in a statement to the press stated, "It is also an issue between the people and the locust swarm of lobbyists who haunt the Halls of Congress seeking selfish privilege for special groups and sections of the country, misleading Members as to the real views of the people by showers of propaganda"; and

Whereas on May 5, 1932, Senator DAVID A. REED stated, "Such a cloud of lobbyists descended upon the House, so strong was the pressure of the soldier lobby that only about 25 per cent of the membership of the House dared to vote in favor of that obviously just suggestion. The more specific the act the stronger will be the lobby, and, apparently at the other end of the Capitol, anyway, there was not courage enough to resist it"; and

Whereas on May 6, 1932, Senator GERALD P. NYE made the following statement: "The weekly radio broadcasts by the spokesmen and errand boys for big business and concentrated wealth have brought to each Senator's desk during the winter letters upon letters protesting against Government expenditures and demanding economy and tax reduction. These spokesmen, for selfishness and greed, have done their work so well that many people have been blinded to their local, county, and State tax responsibilities under which they labor, and have been tempted to believe that their terrible tax burden was occasioned quite alone by expenditures of the Federal Government"; and

Whereas Hon. PETER NORBECK on May 11, 1932, made the following statement: "Misstatements were made galore by lobbyists—misstatements that have been sent out of here because the lobbyists have to maintain their offices also. They have to cry 'wolf' once in a while if they are going to continue to draw their salaries, so they sent out warnings galore against the Glass bill and against this and that section of the Glass bill and against the minority of the committee and against the 'wild jackasses' on the committee"; and

Whereas Hon. F. I. LA GUARDIA on May 7 made the following statement: "To-day the President in his statement to the public refers 'to a swarm of lobbyists like locusts who haunt the Halls of Congress.' The lobbies of the House Office Building and Capitol were never so crowded with admirals and generals who appeared here in opposition to consolidation of the Army and Navy. I submit to the President that if he wishes to stop lobbying, here is one of the group of minorities that he can immediately stop. As Commander in Chief of the Army and Navy he needs no legislation to stop this class. He can issue an order and tell his admirals and generals and his military and naval lobbyists to keep away from the Congress and let us legislate. And, talking about lobbyists, do you remember during the discussion of the tax bill, when we placed a tax on stock transfers, the pressure that was brought to bear on us? Do you remember the abuse that we got because we opposed the sales tax? Is it not an unfortunate synchronization when, on the next day after the President makes his appeal to keep lobbyists away from Washington, the lobbyists and the special interests had already done their dirty work in emasculating the tax on the other side of the Capitol"; and

Whereas again on March 17, 1932, Hon. DAVID A. REED made the following statement: "There are, I am ashamed to say, a lot of Americans who get asked to lunch by a countess and immediately break into tears and cancel the debt. There are a lot of Americans who, for some reason of their own, have taken this foreign propaganda as if it were the Bible. I have wandered from the subject upon which I first rose to speak; but I think there is a certain value in the reiteration of the statement that that propaganda is not successful with all Americans"; and

Whereas various other statements have been made in the public press and on the floor of Congress with reference to lobbyists invading our National Capitol and influencing legislation: Therefore, be it

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed (1) to investigate into the activities of lobbying associations and lobbyists and into the charges made by the President of the United States and by various Members of Congress, to the effect that a swarm of lobbyists are haunting the Halls of Congress, causing delays and seeking selfish special privilege for special



groups and sections of the country, and (2) to report to the Senate as soon as practicable the results of such investigation and, if in its judgment such practice should be prohibited, to submit with such report its recommendations for the necessary remedial legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the first session of the Seventy-second Congress, to employ such experts and clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths and to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes, in which it requested the concurrence of the Senate.

BISCAYNE BAY—IMPROVEMENT OF CHANNEL FROM CAPE FLORIDA TO MIAMI, FLA. (S. DOC. NO. 95)

On motion of Mr. FLETCHER, a letter from the Chief of Engineers of the Army, addressed to the chairman of the Senate Committee on Commerce, relative to reports on Biscayne Bay, Fla., submitted in House Document No. 295, Fifty-fourth Congress, second session, and House Document No. 662, Fifty-sixth Congress, first session, in the matter of determining whether any improvement of the channel from Cape Florida to Miami is deemed advisable at the present time, with an accompanying report of the Board of Engineers for Rivers and Harbors on the subject, was ordered to be printed, with illustrations.

#### HOUSE BILL REFERRED

The bill (H. R. 11897) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1933, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

#### REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The PRESIDING OFFICER (Mr. Fess in the chair). The Senator from Wisconsin [Mr. LA FOLLETTE] is entitled to the floor.

Mr. LA FOLLETTE resumed and concluded the speech begun by him yesterday. The speech follows entire.

*Thursday, May 19, 1932*

Mr. LA FOLLETTE. Mr. President, it is not my purpose to discuss in detail the four tariff items contained in the pending revenue bill. I wish, however, to make an appeal, which however futile it may be is none the less sincere, to Members of this body on both sides of the aisle. I now make publicly the appeal which at the inception of the hearings on this bill I made in private to leaders on both sides of this Chamber. My appeal is that these tariff items be eliminated from this bill, because, in my judgment, unless that course of action is taken interminable delay will be the inevitable result.

I have no doubt, Mr. President, that the tariff items in this bill consumed 30 per cent of the time given by the committee to the consideration of this measure. We now are fully aware of the situation that confronts us if any or all of these tariff items are to be included in this bill as reported by the committee. We now know that before this measure shall pass the Senate and go to conference not only will a great many amendments be offered to the rates in the existing tariff law but they will be debated and pressed for consideration. Also, I have been advised to-day that a Senator has under consideration offering the export debenture amendment to this bill if the tariff items are to be included in it.

I do not view these amendments as parliamentary maneuvering for advantage. I believe they are the logical outcome of permitting any one, or all four, of these tariff items to be included in the bill. It is but natural, if this measure is opened up for revision of any tariff rates, that Senators representing various sections of the country in which other interests are located, all caught up in this cataclysmic economic disaster, should find themselves under pressure to secure what I believe to be but an illusory advantage by seeking to amend the tariff law.

In the committee, Mr. President, as has been so well said by the Senator from Mississippi [Mr. HARRISON], we marched up the hill and down again many times on these tariff items. However, it is perfectly obvious what occurred in the committee was only a curtain raiser to what will take place in this body if these tariff items are forced into this bill.

Some Senators may discount the amendments which the Senator from Maryland [Mr. TYDINGS] proposes to offer. Others may not take seriously the statement that the export debenture will be offered as an amendment to this bill; but I, for one, am firmly convinced that the Senate must decide on the initial vote on oil whether it chooses to pass a tax bill in a reasonable length of time, or whether it proposes to stay here for weeks revising the tariff.

I made that statement when the committee first took up the consideration of this bill, when I appealed to the Senator from Indiana [Mr. WATSON], the Senator from Oregon [Mr. McNARY], and other conservative Senators on this side of the Chamber to exercise their leadership and their influence in persuading the Finance Committee to take what seemed to me the only logical and the only safe ground for it to take in this emergency. I stated to them then, and I state to the Senate now, that it is perfectly obvious we shall ultimately be confronted with a general revision of the tariff unless all these items are eliminated from the bill.

I have not been one of those, in this Chamber or out of it, who have lent themselves to the campaign to convince the people and the Congress that immediate balancing of the Federal Budget is imperative. I have not subscribed to the statement made by one member of the Finance Committee when we first met that it would be better to pass a bad tax bill in a few days than to pass a good one in two or three weeks. But no man in this Chamber can doubt the fact that the people of this country have been convinced that the speedy enactment of a bill which is alleged to balance the Budget is necessary in order to preserve the financial structure of this Government and its banking institutions; and I wish to say in all sincerity, in view of that situation, that the Senators who are working to force these tariffs into the pending bill assume in the public mind a grave responsibility.

Naturally, if one of these items—and the first one happens to be oil—goes into this bill, the bars are down. Every Senator will feel free to make—will perhaps feel under the necessity of making—a fight in behalf of tariffs for industries in his State or section. As one Senator said to me in the Finance Committee when this question first came up, "If any of these tariff items go into this bill, how am I ever going to be able to go home and justify to my constituents my failure to secure adjustments of tariffs in which they are interested?"

For the reasons which I have suggested, when the Finance Committee first met I offered a resolution declaring it to be the sense of the committee that all tariff items should be eliminated from this bill. In taking this action I was not passing upon the merits of the two tariff items that were then in the bill, nor was I attempting to pass on the other tariff items which had been discussed as probable subjects of legislative action in connection with this revenue measure. What I sought to accomplish was an orderly consideration of the momentous questions involved in this revenue bill, and to exclude therefrom the confusion, the delay, and the logrolling which I knew would follow if the tariff items were included—not only log rolling in so far as the tariff items were concerned, but logrolling also



on the momentous questions of public fiscal policy involved in the tax sections of this bill were concerned; and every Senator familiar with the situation knows what has taken place.

Mr. JOHNSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. LA FOLLETTE. I yield.

Mr. JOHNSON. I want to say that there is one Senator here who has not logrolled in respect to any provision of this bill, and I want that distinctly understood. My brethren may rest under the imputation if they desire. I do not.

Mr. LA FOLLETTE. Mr. President, when the committee met on the 25th of April I offered a motion that all tariff items be eliminated from the bill and that the committee should give no consideration to tariff duties. The motion was defeated by the following vote:

Yeas, 9: KEYES, LA FOLLETTE, METCALF, HARRISON, GEORGE, WALSH of Massachusetts, BARKLEY, COSTIGAN, HULL.

Nays, 10: WATSON, REED, SHORTRIDGE, COUZENS, BINGHAM, THOMAS of Idaho, JONES, CONNALLY, GORE, and the chairman.

Mr. WALSH of Massachusetts. Mr. President, on what question was that vote?

Mr. LA FOLLETTE. It was on the motion I offered that it should be the sense of the committee that all tariff items be eliminated from the bill.

There was some discussion this afternoon as to who should assume the responsibility for the inclusion of the tariff items in this bill. I submit that the statement I made that the majority of the votes for the tariff items in this bill were furnished by the Republicans sitting above me at the table is correct. It is demonstrated by the fact that we find, first of all, the chairman; next, the Senator from Indiana [Mr. WATSON], the Republican leader; then the Senator from Pennsylvania [Mr. REED]; then the Senator from California [Mr. SHORTRIDGE], the Senator from Michigan [Mr. COUZENS], the Senator from Connecticut [Mr. BINGHAM], the Senator from Idaho [Mr. THOMAS], and the Senator from Washington [Mr. JONES].

We next voted on a motion to strike oil from the bill. It was lost by the following roll call:

Yeas, 8—KEYES, LA FOLLETTE, METCALF, HARRISON, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

Nays, 10—WATSON, REED, SHORTRIDGE, COUZENS, BINGHAM, THOMAS of Idaho, JONES, CONNALLY, GORE, and the chairman.

Mr. MOSES. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from New Hampshire.

Mr. MOSES. Since the curtain is being raised upon what took place in the executive sessions of the committee, will the Senator say who made the motion upon which that vote was taken?

Mr. LA FOLLETTE. Mr. President, I am not raising the curtain. These roll calls were all given to the press by the chairman. I simply want to put into the CONGRESSIONAL RECORD, before we vote upon this first tariff duty, the record of the committee.

I am sorry to say that the minutes of the committee do not show who made the motion.

Mr. BARKLEY. Mr. President, if the Senator will yield—

Mr. LA FOLLETTE. I yield.

Mr. BARKLEY. There was a general understanding that it was not necessary to make a motion on the part of anybody; that we would have roll calls on those various items without any particular Member offering a motion to that effect.

Mr. LA FOLLETTE. I may say to the Senator from New Hampshire that the minutes show that—

The committee then proceeded to vote on each of the tariff items in the House bill, and on other proposed tariff items, the vote on each being as follows.

Mr. MOSES. The Senator from Wisconsin stated on the first vote that he had made the motion; and I wondered if the minutes showed who made the motions on all the various items.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. LA FOLLETTE. I yield to the Senator.

Mr. LEWIS. Will the Senator from Wisconsin note that I desire this information from his point of view:

Suppose the motion made to strike these particular features—oil, coal, lumber, and copper—from the bill, on the ground that they are tariff items, had been sustained, what, then, would there be in the way of an obstruction for Senators representing these interests to tender them in separate amendments to the bill just as they stand, either with the clause stricken out or otherwise?

Mr. LA FOLLETTE. The Senator means after the bill was reported to the Senate?

Mr. LEWIS. Yes, sir. While the bill is in the Senate, if the various items to which the able Senator refers as tariff items had been stricken out on the theory that, being tariff articles, they ought not to attach themselves to the bill, would there be anything to prevent, then, the advocate of each one of these items tendering it to the Senate as a separate amendment?

Mr. LA FOLLETTE. The Senator from Illinois is too experienced a legislator to ask that question. Obviously, it was in order for any Senator to offer any amendment to any section of the tariff bill in connection with this matter after it came on the floor. If the committee had voted to eliminate these items from the bill, such recommendation would have had an important effect upon the Senate; that is, had the committee reported that it felt the urgency of the situation was such that the time which inevitably would be consumed in the consideration of these tariff items should not be taken in connection with an emergency revenue bill.

Mr. LEWIS. I take it, then, that the Senator assumed that if such a motion could be made and carried as coming from the committee, it would have more weight with the Senate than if made by an individual Member?

Mr. LA FOLLETTE. I assume that if the committee had recommended that these items be stricken out, and had pointed out to the Senate the reasons for not taking up the time in connection with the tariff, it would have had a great deal of weight; and, as everybody knows, the vote on this oil item is so close that if we had the leadership on this side of the aisle exerting itself in favor of the elimination of all these tariff items from the bill there can be no question but that they would be eliminated.

The next vote, Mr. President, came on the question of striking coal from the bill.

The yeas were Senators KEYES, LA FOLLETTE, METCALF, HARRISON, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

The nays were Senators WATSON, REED, SHORTRIDGE, COUZENS, BINGHAM, THOMAS of Idaho, JONES, CONNALLY, GORE, and the chairman.

The motion was then made to put a duty on copper and proper compensatories. Those voting in favor of that motion were Senators WATSON, REED, SHORTRIDGE, COUZENS, BINGHAM, THOMAS of Idaho, JONES, METCALF, CONNALLY, and the chairman.

Those voting in the negative were Senators KEYES, LA FOLLETTE, HARRISON, GEORGE, WALSH of Massachusetts, BARKLEY, COSTIGAN, and HULL. The motion carried, 10 to 8.

On Friday, April 29, the question again came up in the committee, and Senator WALSH of Massachusetts moved to strike the tariff on oil from the bill. The motion carried by the following vote:

Yeas—Senators COUZENS, KEYES, LA FOLLETTE, METCALF, HARRISON, KING, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

Nays—Senators WATSON, REED, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, CONNALLY, GORE, and the chairman.



Next, a motion was made by Senator HARRISON that the tariff on coal be reduced from 10 cents to 5 cents. The motion was lost. Senator HARRISON moved that the tariff on coal be stricken from the bill. The motion was carried by the following vote:

Yeas—Senators COUZENS, KEYES, LA FOLLETTE, HARRISON, KING, GEORGE, WALSH of Massachusetts, BARKLEY, COSTIGAN, and HULL.

Nays—Senators WATSON, REED, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, METCALF, CONNALLY, and the chairman.

A motion was then made to adopt a tariff on copper. The result was a tie.

Yeas—Senators WATSON, SHORTRIDGE, COUZENS, BINGHAM, THOMAS of Idaho, JONES, METCALF, KING, CONNALLY, and the chairman.

Nays—Senators REED, KEYES, LA FOLLETTE, HARRISON, GEORGE, WALSH of Massachusetts, BARKLEY, GORE, COSTIGAN, and HULL.

The motion was lost, the vote being a tie.

There was another vote on the tariff matters in this bill. On Wednesday, May 4, Senator JONES moved that a rate of \$3 per thousand be imposed on lumber imports. The motion carried by a vote as follows:

Yeas—Senators WATSON, REED, SHORTRIDGE, COUZENS, KEYES, BINGHAM, THOMAS of Idaho, JONES, METCALF, CONNALLY, and the chairman.

Nays—Senators LA FOLLETTE, HARRISON, KING, GEORGE, WALSH of Massachusetts, BARKLEY, COSTIGAN, and HULL.

Senator SMOOT, the chairman of the committee, moved that a tariff be placed on coal. The motion was carried.

Yeas—Senators WATSON, REED, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, METCALF, BARKLEY, CONNALLY, GORE, and the chairman.

Nays—Senators COUZENS, LA FOLLETTE, HARRISON, KING, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

Then began the long and tortuous course of the proposed duty on oil. I shall not read all of these roll calls. There were a number of them. They started with a vote on oil imports moved by Senator SHORTRIDGE. Senator CONNALLY moved that the duty on crude oil be 1 cent, on fuel 1½ cents, and on gasoline 3 cents. The motion was lost, as follows:

Yeas—Senators WATSON, REED, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, CONNALLY, GORE, and the chairman.

Nays—Senators COUZENS, KEYES, LA FOLLETTE, METCALF, HARRISON, KING, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

The motion lost, 9 to 10. Senator SHORTRIDGE moved that the rate on oil imports be nine-tenths of a cent on crude, 1 cent on fuel, and 2½ cents on gasoline. The motion was lost by the same vote as that I have just read.

Senator CONNALLY then moved that the rate on oil imports be 1 cent on crude, one-half cent on fuel—it will be seen that he dropped to one-half cent on fuel—and to 2½ cents on gasoline instead of 3 cents. But even that did not put oil across.

The vote was: Yeas—Senators WATSON, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, METCALF, CONNALLY, GORE, and SMOOT.

Nays—Senators REED, COUZENS, KEYES, LA FOLLETTE, HARRISON, KING, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

Senator CONNALLY moved that the 3-cent rate on gasoline imports be adopted, and that was lost by the same vote as the one which was cast just before that, 9 to 10.

The yeas were—Senators WATSON, REED, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, CONNALLY, GORE, and SMOOT.

The nays were—Senators COUZENS, KEYES, LA FOLLETTE, METCALF, HARRISON, KING, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

Senator CONNALLY persisted, however. He then moved that the rate be one-half cent on crude and fuel oil, 2½ cents on gasoline, and 4 cents on lubricating oil, 1 cent a pound on paraffin, and 10 cents a hundred pounds on asphalt. It will be seen that to get the votes to put this

over he had reduced his duty on crude from 1 cent to half a cent, leaving the same duties on gasoline and the other commodities. The vote on that motion was:

Yeas—Senators WATSON, REED, SHORTRIDGE, BINGHAM, THOMAS of Idaho, JONES, METCALF, CONNALLY, GORE, and SMOOT.

It will be observed that Senator METCALF changed his vote on that motion.

The nays were—Senators COUZENS, KEYES, LA FOLLETTE, HARRISON, KING, GEORGE, WALSH of Massachusetts, COSTIGAN, and HULL.

My only purpose in putting these votes in the RECORD is to demonstrate, first of all, that the committee was very evenly divided upon this question, and that the judgment of one or two members of the committee changed, in this case, on several occasions. I am satisfied in my own mind that a majority of the committee was convinced, after we had eliminated four tariff items from the bill, that we had taken a step which would facilitate the passage of the revenue bill and would do much to prevent long delay in the Senate.

So far as this duty on oil is concerned, I wish to say at the outset that I am not hardened against the appeals which have been made by representatives of the independents—or so-called independents—in the oil industry.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. GLASS. Before the Senator goes into that, I would like to ask him a question.

Mr. LA FOLLETTE. I will be glad to answer if I can.

Mr. GLASS. Why were tariff proposals confined to these four particular items? Did not shingles, or wood pulp, or manganese, or dozens of other items, have any friend at court at all?

Mr. LA FOLLETTE. Lumber had a rather difficult time getting into this close corporation, and I think they dropped shingles and logs and were delighted to slide in with \$3 on lumber. However, in so far as other items are concerned, I can only answer the Senator's question by saying that while I am not in the confidence of Senators who have been managing the fights for these different tariffs, my distinct impression, from observing the gyrations of members of the Finance Committee, is that they finally adopted the slogan of the Three Musketeers, "All for one and one for all." In other words, they decided apparently to get these four items into the bill and then to remain adamant against the inclusion of any others.

I can only come to that conclusion in view of the sad fate of the attempt on the part of the Senator from California to get a duty on manganese, even though he succeeded in getting the support of the Assistant Secretary of War for that proposal.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield.

Mr. SHIPSTEAD. These four items which are in this tax bill are items on raw materials which the agricultural interests of the country will have to pay for. Can the Senator enlighten us as to whether there was any concern expressed for any tariffs on any agricultural items?

Mr. LA FOLLETTE. My recollection is that a Representative from South Dakota appeared and appealed to the committee to increase the tariff on butter, but it apparently got pretty badly jammed in between these heavy raw materials. It had no support from the raw-material tariff advocates.

Mr. LONG. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. LONG. The Senator was mentioning the proposition of butter. Did the Senator support the increase in the tariff rate on casein? I notice that in the Smoot-Hawley tariff bill the House of Representatives fixed a rate of 2½ cents a pound, and the Finance Committee of the Senate fixed the rate at 3½ cents a pound; that Senator BLAINE offered an amendment, which the RECORD shows the senior Senator from Wisconsin voted for, raising the rate to 5½ cents a pound. I just wanted to know whether that met with the



Senator's views on the tariff question as to that product of Wisconsin.

Mr. LA FOLLETTE. May I say to the Senator that there was a long discussion on casein, which I do not want to go into just now. The Senator from California wanted to make the rate very much higher than what it was, and I came to the conclusion, after listening to the arguments, that the duty proposed by my colleague fairly represented the difference in cost of production between the United States and the Argentine.

Mr. LONG. That is just what I was wondering, whether the Senator, having concluded that it was a fair representation of the difference in the cost of production in Wisconsin and foreign countries and thought it was a patriotic act to give that product some consideration, why not give the oil of Louisiana that same treatment?

Mr. LA FOLLETTE. May I say further to the Senator from Louisiana he apparently has lost the entire import of my argument. I contend that this is not a proper time to inject into a debate on a revenue bill a general revision of the tariff.

(At this point Mr. LA FOLLETTE yielded to Mr. McNARY, who moved an executive session.)

*Friday, May 20, 1932*

Mr. LA FOLLETTE. Mr. President, when the Senate recessed last night I had just completed reading into the Record the roll call in the Finance Committee disclosing the shift in votes which was responsible, first, for eliminating the four tariff items from the bill; and, secondly, for rewriting them into the measure before it was reported to the Senate. It was demonstrated as a result of these roll calls that responsibility, in so far as the Finance Committee action is concerned, rests squarely upon the Republican members of that committee.

In the first resolution offered to eliminate the tariff, Republicans furnished 8 and Democrats 2 votes for the defeat of the resolution; Republicans furnished 3 votes and Democrats 5 in favor of it. The second time the resolution was voted on to eliminate the tariff, 7 Republicans and 2 Democrats voted against the resolution, while 4 Republicans and 6 Democrats voted for it.

In the course of my remarks last evening I had hoped to point out to the Senate that continuation of discussion of the tariff features of the revenue bill is inevitable, unless all four of the items in the bill as reported by the Finance Committee are eliminated. I am convinced of that fact not only because we now know that unless those four items are eliminated many other tariff items will be the subject of discussion, but also because, if the Senate includes in the bill any or all of those four items, that other interests concerned either in securing increases or decreases of other tariff rates will insist that the Senate has opened up the tariff question and will urge that action should be taken to give what they consider relief.

I shall not detain the Senate long in discussing the specific item under consideration. It has been very ably discussed on both sides and Senators have already determined what their course will be in regard to it. Nevertheless, I wish to draw the attention of the Senate to portions of the report made by the Manufactures Committee in 1923, after one of the most exhaustive and effective investigations ever made of the oil industry by a governmental body.

The Committee on Manufactures began its hearings on August 7, 1922, and rendered its report to the Senate on March 3, 1923. It retained as its counsel the late Gilbert E. Roe, of New York City, one of the ablest lawyers whom I have ever known. As a result of his splendid work, together with the work of the members of the committee, a mass of evidence was obtained and the committee's report, based upon that evidence, has never, in so far as I know, been successfully challenged. On page 3 of that report the committee said:

The dominating fact in the oil industry to-day is its complete control by the Standard companies. Any discussion of the subject which does not frankly recognize this control can only be misleading. Standard Oil to-day fixes the price which the pro-

ducer of crude oil receives at the well, the price which the refiner receives for his gasoline and kerosene, as well as the retail price paid by the consumer.

That statement is as true to-day as it was on the day when this committee rendered its report to the Senate.

The report goes on to say:

The Standard Oil group divides among the members of that group all the territory of the United States, and, with slight exceptions to be presently noticed, avoids all competition with other members of the group in the business of retailing gasoline and kerosene. Not only this, but two of the leading Standard companies—New Jersey and New York—divide the world between themselves in retail marketing operations, and each carefully abstains from entering the territory of the other, while both refrain from competing with the Anglo-American Oil Co. (Ltd.) (one of the original Standard group) in the retail trade in the British Isles.

Through the Standard control of the pipe lines connecting the producing centers of the West with the consuming centers of the East and Middle West not only is the price fixed according to the will of the Standard group which any other interest must pay for the transportation of petroleum but members of the group really determine whether any concern outside their group shall have petroleum transported at any price.

The methods by which the Standard companies control the oil industry to-day are more subtle than those by which the Standard Oil Co. of New Jersey, through its subsidiaries, controlled it prior to the dissolution decree in 1911. But the results are the same. Whatever competition has existed between the Standard companies and the so-called independents since the decree of dissolution in 1911 has not been the result of that decree but has been the result of the discovery in the United States and Mexico of new oil fields, largely through adventurous independent operators, which fields, in many instances, as soon as proven, have by various methods been brought under the control of the Standard interests. When the time comes, as it is certain to come in the near future, that there are no more oil fields to discover and exploit in this country, this competition, such as it is, will necessarily disappear.

Mr. LONG. Mr. President, will the Senator pardon me if I interrupt him there?

Mr. LA FOLLETTE. If the Senator will permit me to finish reading this paragraph, I will then yield to him.

Mr. LONG. I thought the Senator had finished.

Mr. LA FOLLETTE. I continue the quotation from the report:

In the Supreme Court decision ordering the dissolution of the Standard Oil Trust (Standard Oil Co. v. United States, 221 U. S. 1), at page 42, the court, through Mr. Justice White, summarizes the averments of the bill of complaint. Among the principal allegations of the complaint which were found to be true by the court were—

"restraint and monopolization by control of pipe lines, and unfair practices against competing pipe lines; contracts with competitors in restraint of trade; unfair methods of competition, such as local price cutting at the points where necessary to suppress competition."

Also—

"the division of the United States into districts and the limiting of the operations of the various subsidiary corporations as to such districts so that competition in the sale of petroleum products between such corporations had been entirely eliminated and destroyed; and finally reference was made to what was alleged to be the 'enormous and unreasonable profits' earned by the Standard Oil Trust and the Standard Oil Co. as a result of the alleged monopoly; \* \* \*"

The report then says:

A careful examination of the evidence taken in this investigation will show that in the respect of the above matters and others which led to the outlawing of the Standard Oil monopoly the same conditions exist as existed when the decree of the Supreme Court was entered, and that in some respects the industry as a whole, as well as the public, are more completely at the mercy of the Standard Oil interests now than they were when the decree of dissolution was entered in 1911. This point can not be too strongly emphasized, for the reason that the intolerable conditions in the oil industry which are established in this investigation can not be corrected while Standard Oil dominates the business as it does to-day.

Mr. LONG. Mr. President, will the Senator pardon me an interruption?

Mr. LA FOLLETTE. I yield.

Mr. LONG. I am familiar with that investigation and report, because we were conducting a similar investigation at about the same time in the midst of the oil fields. The facts the Senator has read have been proved, in part, untrue, although the conclusions are entirely correct. The report states that the foreign discovery of oil was responsible for what the independent business was in the oil trade. It also



says that those fields were being taken over as soon as discovered. The facts are that they were all taken over and there is no independent foreign oil ownership. That is No. 1.

No. 2. The statement in the report that we would not have any oil in this country after some 20 years has been proven untrue. A number of those years, about 10, have gone, and we have to-day the largest oil supply in the country that anyone ever dreamed of, and the only independent oil industry now in the world is in this area of America.

Mr. LA FOLLETTE. Mr. President, the Senator is incorrect in his statement that this report finds that whatever competition existed was due to the discovery of oil in foreign fields. The report distinctly says that it was due to the discovery of oil in new domestic fields as well as in foreign fields. Again I say, Mr. President, that the assertion made in this report that the Standard Oil Co. and its subsidiaries dominate and control the oil industry is just as true to-day as it was when the report was made.

The contention has been made by the supporters of the proposed tariff on oil that the price of crude oil has no relation to the retail price of the commodities produced from it. It has been alleged, on the one hand, that this proposed tariff would benefit the so-called independent producers, because it would raise the price of crude oil. On the other hand, it is contended that the consumers of refined products would not be asked to pay an additional price, because the great monopoly which dominates this industry, according to the contention of the advocates of this amendment, would be so generous that it would absorb the additional price of crude oil and not pass it on to the consumer. The statement falls of its own weight. It has ever been the practice of monopoly to seize the opportunity to increase the price to the consumer, with or without justification.

On page 43 the report cites the testimony of Mr. Alfred S. Matthews, an oil jobber in Buffalo, N. Y., and at that time chairman of the New York State Petroleum Marketers' Association, from which I quote as follows:

"Q. In your experience in this business, did you find that there was any actual relation between the price of crude oil and of gasoline?—A. Any relation between the price of crude oil and the price of gasoline?

"Q. Yes.—A. What price do you mean of gasoline—the tank-car price or the tank-wagon price?

"Q. I mean either one. First, I had particularly in mind the tank-wagon price; but if you want to make the distinction between the two, do so.—A. Well, it would certainly seem that there must be a positive relation between the cost of crude and the cost of the manufacturing and the retail prices; but looking over a period of years, in New York at least, I must admit that very frequently conditions have existed which would make it almost impossible for anybody to tie up any relation whatever.

"Q. Will you illustrate what you mean by that or by a comparison of prices over a considerable period of time?—A. Well, of course, as you gentlemen know, the oil business is a very detail business and there are a good many interests involved. In looking over the whole industry in one view, it would rather appear that there are three interests in it, we will say—the producers, the refiners, and the marketer. I should say that there is always a profit in the oil business between the cost of the crude and the cost of the finished product as it goes to the consumer.

I should like to emphasize that, Mr. President:

"I should say that there is always a profit in the oil business between the cost of the crude and the cost of the finished product as it goes to the consumer. I believe there is always a sufficient profit between those two costs to make a reasonably remunerative business. The question is, Who gets it, and when? It seems to me that as to these three methods you might liken them to three men wrestling on a floor. There will be one time when the refiner is on top and the producer and the jobber are on the bottom. Then the tide will turn, and the producer will be on the top and the other fellows on the bottom; and then again the tide of combat will change, and the marketer will be on top and the other fellows below. There does not appear to be any actual regular course of events going along a natural line as to costs of manufacture and operation, etc. To illustrate that point, a few minutes ago you brought out some information here that showed the cost of crude in the mid-continent field in the summer of 1921 as being approximately \$1 a barrel. Probably in other fields it would bring it up somewhat above that. The Pennsylvania has always been two or three times as expensive as the mid-continent. At that time we had a tank to market throughout New York State, which averaged, I would say, 27 cents. To-day the cost of crude would probably average some-

where in the neighborhood of \$2 per barrel. We have a tank-wagon market in New York State of less than 22 cents.

"Q. That is, with the cost of crude, speaking generally, approximately almost double what it was at the time you mentioned, you have a tank-wagon price of somewhere about 21 cents?—A. The tank-wagon price, I think, accurately, is 21.80 cents. I believe that is right.

"Q. As against the tank-wagon price, the low price of 26 and 27 cents, when crude was lower?—A. Yes; the crude is double the tank wagon and the price is 5 or 7 cents cheaper."

Thomas S. Black, president of the Western Petroleum Co., who had been in the oil business for 20 years, testified that during the years 1917, 1918, 1919, and in 1920 his company had been virtually a purchasing agency for the Standard Oil of Indiana, although it acted as purchasing agent also for other Standard companies. Mr. Black had previously had many years' experience in the mid-continent field in connection with the operation of independent refineries in that field. Questioned by counsel for the committee, Mr. Black testified (record, p. 1245):

"Q. Mr. Black, were you ever told by the Standard Co. officials, during this time in your purchasing of gasoline and fuel oil and other products in the mid-continent field, that there was going to be an increase in the price of gasoline on a certain day in the future and to go out and purchase before that rise in price took place?—A. Yes, sir.

"Q. Were you told that more than once?—A. A great many times.

"Q. Was that the custom there to purchase, if it was a purchase, in anticipation of the rise in price, or did you purchase, generally speaking, upon information received from the Standard officials that there was to be a rise in price?—A. Not generally, Mr. Roe, because we were purchasing every day practically that we had information of any advance, almost every advance that took place, or decline.

"Q. How did you get it?—A. Well, they would call up, or I would go over to Doctor Burton (president of the Standard of Indiana) and he would give it to me, or Mr. Drake, when he lived, also.

"Q. How long in advance of the increase which was to be made or the decrease that was to be made in price would you receive this information?—A. Well, as far ahead as a week or 10 days.

"Q. That was the advance in the Standard tank-wagon price or the decrease?—A. Yes.

"Q. And then did the change in price always occur on the date which they had fixed for it to occur?—A. Always.

"Q. Did you receive any information from the Standard officials during this time as to changes in the crude-oil prices?—A. Occasionally.

"Q. The Standard of Indiana posted no prices in the mid-continent field, did it?—A. No, sir.

"Q. It was, however, a large purchaser of fuel oil, was it not?—A. Yes, sir.

"Q. And what relation did the price of fuel oil bear to the crude?—A. We bought fuel oil from the Standard Oil Co. on the basis of 75 cents for the crude, as posted by the Prairie Oil & Gas Co. in most instances, and it advanced or declined with the posted price of crude.

"Q. So that if the price of crude was going up a week hence or a few days hence, did that mean that on and after that day the prices that the Standard would pay for fuel oil would go up also?—A. Yes, sir.

"Q. And you say you received information from the Standard Oil officials some days in advance on several occasions of the proposed increase of price?—A. I recall occasions of having received that information; yes, sir.

"Q. From whom did you receive it?—A. Doctor Burton.

"Q. Would this information come to you in memoranda or not?—A. Not.

"The CHAIRMAN. It would come to you, then, verbally, I take it?

"A. Always. They would either call me up to come over there, or invariably they called me up, because I did business with the Standard Oil Co. on account of the relationship of Hughes to Doctor Burton.

"Q. Did the practice continue so long as the Western Petroleum Co. was actually purchasing in the mid-continent field and selling to the Standard interests?—A. Yes; I think so."

The Standard Oil Co. of Indiana knew in advance of the time when crude oil was going to be raised in the mid-continent field by the Prairie Oil & Gas Co., even though the Standard Oil Co. was not a purchaser of crude oil in that field at the time. Possessing this advance information as to manipulation of the price either up or down, they passed it on to this company that was purchasing oil in order that they might take advantage of either the rise or the decline that had been predetermined for crude oil.

I continue to read from the report:

While the Standard of Indiana appeared and denied this testimony of Mr. Black, its denials were not persuasive.

The testimony of Mr. Black is strongly corroborated by that of his brother, W. C. Black, by R. A. Whitehead, former sales manager of fuel oils in the company of which Mr. Black was president, and there is no reasonable doubt that the practices testified to by Mr. Black existed.



It is conclusively established from all the evidence in this proceeding that the Standard companies make the retail prices of gasoline and kerosene throughout the country. Each Standard company is usually powerful enough to fix the price in its particular territory, but it is assured of the aid of the other companies of the Standard group whenever that aid is necessary. It is also a practice established by the Standard companies that when the price of crude oil goes up gasoline prices very promptly accompany it.

This is an important point in the consideration of the amendment. I repeat:

It is also a practice established by the Standard companies that when the price of crude oil goes up gasoline prices very promptly accompany it. When the price of crude goes down, however, gasoline prices lag behind.

What other practice could we expect from a monopoly which dominates this industry from the moment a gallon of crude oil leaves the well until its refined product is pumped into the tanks of the consumers in every hamlet, city, or town in the United States?

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. Not only that, may I point out to the Senator; not only do they dominate the field as to which the Senator has read, but, in addition, they own 51 per cent of the actual production. So that they have over half the production already, from the start to the finish, in their own hands, and the distributing centers and the media for all that they buy as well.

Mr. LA FOLLETTE. I thank the Senator for his suggestion.

The rule which applies almost universally wherever a tank-wagon price change follows a crude-oil price was thus developed from Mr. Wilkinson, of the Standard Oil of New York, on his examination respecting the table of prices submitted to the committee.

"Q. In other words, the price of gasoline did not go down as much with the decrease in the price of crude from \$3.50 to \$1 as it went up on the increase of price of crude from \$2.75 to \$3.50; is that not a fact?—A. The advance according to my tabulation from January, 1920, to January, 1921, was a little over 5½ cents per gallon. The drop from January, 1921, to June, 1921, was almost 6 cents per gallon—5.98, to be exact.

"Q. You are speaking of gasoline?—A. Yes, sir.

"Q. But the corresponding change in the price of crude represented by the first increase in the price of gasoline of which you spoke was 75 cents a barrel, while the decrease in the price, reflected in the figures in the price of gasoline, according to the figures you give, was \$3.50 a barrel to \$1 a barrel?—A. Yes, sir.

"Q. Or the decrease in the price of crude was more than three times the increase, while the change in the price of gasoline was about the same; that is the fact, is it?—A. Yes, sir."

The facts established in this investigation respecting the retail prices of gasoline and kerosene are:

First. The Standard companies fix those prices throughout the country, and such prices in contiguous territory between the different Standard companies frequently vary all the way from 1 to 3 cents a gallon for gasoline.

Second. The companies of the Standard group cooperate with each other where such cooperation seems desirable or necessary in order to meet the competition of independents.

Third. While there is some correspondence between the cost of crude and the prices of the refined products, the price of the refined product is far more apt to be kept abreast of the changes in the price of crude on a rising market than it is on a falling market.

The table, which will be found on page 63 of this report, proves the statement I have just read from the report.

In January, 1920, the average price of mid-continent crude oil per barrel was \$2.96, nearly \$3 per barrel. The average tank-wagon price of gasoline in Minneapolis was 22 cents; in Des Moines 22 cents, in Indianapolis 22 cents, in Detroit 23 cents, in St. Louis 21 cents, in Chicago 21 cents, in Milwaukee 22 cents, in Fargo 26 cents, and in Wichita 22 cents.

In January, 1921, the average price of mid-continent crude oil per barrel was \$3.36. In Minneapolis the average tank-wagon price was 27 cents a gallon, in Des Moines 28, in Indianapolis 27, in Detroit 28, in St. Louis 25, in Chicago 26, in Milwaukee 27, in Fargo 31, and in Wichita 26.

Between January, 1921, and August, 1921, the price of crude oil in the mid-continent field fell to a dollar a barrel.

The average tank-wagon price of gasoline in Minneapolis was 20 cents a gallon, in Des Moines 19 cents, in Indian-

apolis 17 cents, in Detroit 17 cents, in St. Louis 17 cents, in Chicago 17 cents, in Milwaukee 19 cents, in Fargo 23 cents, and in Wichita 17 cents.

When the price of crude rises this great monopoly advances the prices of gasoline and other refined products to the consumer. When the price of crude is put down, then the prices of gasoline do not follow in the same way. They lag behind, as the report states.

I wish to read from the report a little further:

The figures show that the Standard group represent about 45 per cent of the refinery capacity, the larger independent refineries about 40 per cent, and the balance is assigned to the very small refineries throughout the country. It is probable that if the exact figures were obtainable that the refinery production of the country is about equally divided between the so-called Standard group and the independents. There is, however, this very great difference between the two groups, as will be observed from the foregoing tables.

Which I have not taken the time of the Senate to refer to.

The principal refineries of the Standard group are located near the centers of population in the East, while those of the independent group, generally speaking, are located in the West, near the producing fields. This is especially true of the many small independent refineries not shown on the foregoing table. The States of New York, New Jersey, Rhode Island, Pennsylvania, Maryland, Ohio, Indiana, Illinois, Kentucky, Michigan, and Missouri have more than 50 per cent of the population of the United States, while the territory of these States embraces only about 14 per cent of the area of the United States. In these States are located the great Standard Oil refineries of the Atlantic Refining Co., Standard Oil Co. of Ohio, Solar Refining Co., Standard Oil Co. of Indiana, Standard Oil Co. of Kentucky, Standard Oil Co. of New Jersey, Vacuum Oil Co., and the Standard Oil Co. of New York. With the pipe-line connections which these refineries have with the producing fields, through which their supply of crude oil is received, it is obvious that the Standard Oil refineries as a group have a tremendous advantage over the independents when both location and pipe-line control are considered. Added to this is the fact, as previously pointed out, that the so-called patented cracking processes are largely under the control of the Standard companies.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. TYDINGS. I would like to say, in direct proof of what the Senator has just been reading—and it is conceded—that these large companies now have about eight months' oil supply in their pipe lines.

Mr. LA FOLLETTE. Or in storage.

Mr. TYDINGS. Or in storage. They have enough to run the United States eight months without any new oil. In addition to that, with only 51 per cent of all production, added to what they have in storage, without buying a single gallon of oil, they can supply the United States with oil for over a year without buying one gill of oil from any independent company. A monopoly of that magnitude, with that tremendous supply, ipso facto does not have to go out and buy oil, and by withholding purchases it drives the prices down and the producer has to sell at a very low price.

Mr. LA FOLLETTE. Obviously, and if this tariff is enacted and is effective, it will immediately increase the inventories of these companies with great storage capacity, add to their profits, and extract extortionate increases in price from the consumers of the refined products.

The report continues:

By these processes the average production of gasoline can be nearly doubled if the operator so desires. These facts show how impossible it is for the independent refinery to compete on equal terms with members of the Standard group. The refineries belonging to the two or three larger so-called independent companies, such as the Sinclair, Texas, and Gulf, have been able to overcome this handicap to a large extent by their own pipe-line facilities and by obtaining control of some of the several cracking processes. These companies in their relationships, organization, and operation are more comparable to the Standard group than to the smaller independent companies.

It is proposed, in order to secure relief for the small independent producers of oil, to grant to this great monopoly, which dominates the oil industry as completely as it did before the dissolution decree of 1911, the advantage of the imposition of this tariff against foreign crude oil, the excuse, if one is needed, for an advance in the price of crude oil and likewise an advance in the price of gasoline.



However, it is clearly demonstrated that this monopoly so completely controls the industry that any relief which those who advocate this amendment believe will flow to the independent producers will be absorbed by the great monopoly and will be used to the further disadvantage of the independent producers.

I am sympathetic with the plight of these independent producers. I have argued this question with several of them, and never have I found a single representative of the industry who to-day refutes the facts and findings disclosed by the Committee on Manufactures. Their only plea is that in their desperation they seek through this means some relief, although down in their hearts many of them are doubtful as to whether it will actually save their stake in this industry.

The protective tariff was first advocated on the theory that we could extend this special privilege to American producers in the belief that free competition behind the tariff wall would protect the ultimate consumer from an extravagant and extortionate price for the products thus protected. There was justification for support of that theory before this great integration of business—this great monopoly, for instance, of the oil industry—had been obtained. But what justification can there be to-day for increasing the price of a commodity to the consumer when we all know that the industry thus to be benefited is completely dominated by one of the greatest monopolies the world has ever seen?

Assuming for the moment that the argument that this will benefit the independents is sound, the theory is, apparently, that we are justified in asking the consumer to pay an increased price without there being any protection of the consumer through the competition of the independents.

I venture the assertion that there is not an independent oil producer in the United States who, if he speaks frankly, will not admit that the Standard Oil Co., and the other great companies which cooperate with it, dominate and control the price of crude oil from the time it leaves the ground until the refined product is purchased by the consumer.

The plea made is that we must save these independents in order that they may afford us some protection against the extortion of the monopoly. The fact remains, however, that the independents have never been able, even in the flush times of this industry, to afford the consumer any protection against the domination and control of the price of oil by the great monopoly.

As I view the situation, all four of the industries seeking relief under the tariffs in this revenue bill are urged to do so because of the general conditions of business in the United States. They act like drowning men grasping at straws. They do not hear the arguments made against their contention; they merely point to the distress of those who have invested their capital, and of those who were previously employed by the industry. They fail to recognize that industries which have enjoyed extortionate and exorbitant tariff protection ever since the theory was put into operation in this country are likewise in the same distressed conditions as are those industries which are not protected.

That brings me, Mr. President, to the question of the effect upon the situation in the world to-day of the enactment of these tariff items, and others which may be engrafted upon this bill. I think any impartial student of world economic conditions will recognize that one of the most serious aspects of the whole problem is that of the tariff barriers which have been erected in the countries of the world.

The passage of the Smoot-Hawley tariff bill in 1930 resulted in retaliatory or imitative action on the part of practically all the countries of the world. We share a great responsibility for having initiated this economic war through the implements of exorbitant or prohibitive tariffs. Many students of this question have pointed out that, since we took the initiative in throwing down this gage of economic battle, if the world is to be saved from this madness of

prohibitive tariffs, the United States must take the lead in securing a more reasonable application of the tariff theory.

It has been my confident hope that this country would assume such leadership. Instead of assuming that leadership, however, we are now asked by certain industries in distress in the United States to enact further legislation following in the footsteps of the Smoot-Hawley bill.

Mr. President, in the report of the Secretary of Commerce for 1931 it is stated that depression has "retarded expansion of our industries into foreign fields through the establishment of branch factories"; that "with the notable exception of Canada, there has been no development of any significance during the last two years"; that "there is no reason to expect a resumption of activity before a general business revival takes place."

From this report I quote the following paragraph:

The exceptional situation in Canada serves to confirm the conclusion . . . that the tariff policies of foreign countries constitute the most important single factor in the expansion of our industries beyond the boundaries of the country. The upward revisions of the Canadian tariff by the Conservative Government in September, 1930, and June, 1931, were definitely and officially stated to be for the purpose of encouraging the industrial development of the country; the success of the protectionist tariff policy, as evidenced by the establishment of new American branch plants, has been repeatedly stressed by the leaders of the Government during the tariff debates. . . . According to a statement by the Premier on June 1, 1931, 87 new foreign branch plants, including 74 American, have been established in Canada since August, 1930. No information is available as regards the amount of investment involved.

The Dominion Bureau of Statistics, in a statement of September 15, 1931, gave the number of American branch plants in Canada as 1,071 and the capital investment as \$1,189,590,000. These figures, in addition to pulp and paper investments, which were excluded from the earlier reports of the Department of Commerce, included American investments for the exploitation of Canadian mineral resources, public-utility investments, and various other investments in enterprises not engaged in manufacturing.

A more recent report, made by the Canadian Pacific Railway to the Toronto Industrial Commission, April 15, 1932, stated that 145 American branch plants had been established in Canada during the last two years. Seventy of these were established in Toronto, 41 in Quebec, and 20 in Montreal. Included among the products of the new branch plants were foodstuffs, vegetable and animal products, textiles, wood and paper products, iron and steel products, nonferrous metal products and nonmetallic mineral products, chemicals and allied products, and toilet accessories. If the average investment in the new plants approximated the average investment in American plants in Canada prior to 1930, the total investment represented by the new establishments is about \$150,000,000.

Mr. COSTIGAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. LA FOLLETTE. I yield.

Mr. COSTIGAN. Bearing in mind that American capital presumably might be employing American workers, does the Senator from Wisconsin have any figures listing the number of workers in foreign branch factories who are now employed by American capital?

Mr. LA FOLLETTE. I do not have that information, I will say to the Senator, and I do not know that it is available.

Mr. LONG. Mr. President, will the Senator let me give him a few statistics?

Mr. LA FOLLETTE. I would prefer, unless the Senator merely wishes to ask me a question, that he do so when I shall have finished.

Mr. LONG. I will ask a question, then. I was wondering, in connection with what the Senator was saying about the prices of crude oil as affecting the price of gasoline, if he had been given statistics showing that when crude oil sold for \$2.04 in 52 of the cities of America, including, of course, many of the leading cities, gasoline sold for 18.09 cents a gallon, and that when crude oil sold for \$1.20 a barrel the same gasoline sold for 18.39 cents a gallon. In other words,



when the oil was nearly \$1 per barrel cheaper, gasoline was higher in the leading cities of America.

Mr. LA FOLLETTE. That is just the point I have been trying to make, that this monopoly so dominates and controls the industry that it can charge any price it pleases for the refined product, regardless of what it pays for the crude.

Mr. SMOOT. Then why could we not get some revenue out of the crude?

Mr. LA FOLLETTE. Mr. President, I can not understand the position of the Senator from Utah on the revenue involved in this amendment. He presented to the Senate a report showing there is \$5,000,000 of revenue in the tariff on oil. Then he presents some subsequent figures to prove that the Treasury estimate, which he has been exhorting all of us to stand by in connection with other items in the bill, is all wrong, and that we are going to get three or four times that amount.

Mr. SMOOT. Oh, I have made no such statement.

Mr. LA FOLLETTE. Mr. President, there has been reference made in the debate previously to the retaliatory action which countries principally affected by the products proposed to be included in the tariff items in the bill are not only contemplating but have already taken. After the experience which we had following the enactment of the Smoot-Hawley bill in 1930 we are now being urged by the supporters of the tariff items in the bill to take action which will result in further retaliatory measures being taken by the countries chiefly affected, and thus further to curtail our already languishing export trade.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. Certainly.

Mr. VANDENBERG. May I submit this question to the Senator in respect to the matter of retaliation? Is it not a fact that much of the retaliation relates to the copper tariff?

Mr. LA FOLLETTE. Not entirely. So far as I know, Peru has not taken any definite action as yet. But, as pointed out by the Senator from Georgia [Mr. GEORGE] in the debate yesterday, Canada has already taken steps to put retaliatory measures into operation immediately in case these tariffs remain in the bill. I also had in mind the statements which have been quoted in the debate previously concerning the contemplated action by Peru for a 300 per cent duty on American products and the efforts which she is alleged to be making to form a South American customs union directed against American export trade.

Mr. VANDENBERG. This is the inquiry I want to submit to the Senator. No one would be more disappointed than I in the face of further retaliatory difficulties in international trade. I join the Senator in that attitude. But in view of the fact that every foreign country which has even intimated retaliation against the copper tariff has itself had a copper tariff for many years, does not the Senator think that a protest from those sources is utterly illogical and, if submitted to upon our part, is a surrender to a threat rather than a surrender to any rational process of consideration?

Mr. LA FOLLETTE. The Senator might just as well say that because Canada had had tariffs before we passed the Smoot-Hawley bill, which seemed to the people of Canada to be particularly hard upon them, that they should not have raised their tariffs against us. I submit to the Senator from Michigan that it is not so much the logic of the situation which confronts us as it is the reality of it. Regardless of whether Peru has had a tariff on copper or not, if as a result of action taken by the Congress at a time when obviously it is impossible for us to give adequate consideration to the question in a tax bill, Peru levies a 300 per cent duty against all American exports to that country, the action is a result nevertheless of our action in placing a tariff on copper. Likewise the tariff increases which will no doubt be made by Canada will be the result of the action which we take with regard to lumber and coal, should they go into the bill, regardless of whether or not Canada now has a tariff on those items.

Mr. VANDENBERG. Will the Senator be good enough to let me submit one further observation?

Mr. LA FOLLETTE. Certainly.

Mr. VANDENBERG. The Senator asks that we consult realities rather than the theory of the thing. I want to consult realities, and I submit this thought to the Senator. Copper production in Chile, Peru, and Canada to-day, as well as in the United States, is chiefly met, as the Senator well knows, by the new production in South Africa, which is an amazing discovery. Chile has protection for her copper against South Africa. Canada has protection for her copper against South Africa. Peru has protection for her copper against South Africa. Are we called upon, in the Senator's judgment, to leave our American market the only open market on the earth in which that cheap copper from South Africa can be dumped?

Mr. LA FOLLETTE. My answer to the Senator's question is that, regardless of whether or not Peru has had a tariff on copper, if a tariff on copper in this country results in the closing down of the mines in Peru, if it results in the abandonment of her principal railroad, we can not expect to reason with Peru. Her act is but a natural reaction to the course which we have taken. In other words, she regards our tariff on copper as being directed against her, because she suffers the immediate and disastrous result of our action.

I admit that the Senator might very well say that the reaction of the Peruvian people and their Government was not a logical reaction in view of the premise which he has stated for his question. But I ask the Senator to consider what will be the result if we enact a duty which causes the governments of South America to form a customs union and to shut out the export business which we are sorely in need of in those countries.

However, I do not base my entire opposition to these tariffs upon the feature of retaliation and the further blocking of the flow of world commerce. I contend that of necessity, in the situation which confronts us in the consideration of these various items, we are unable to give them the consideration which they merit. I contend, further, Mr. President, that we endanger the orderly progress of this important tax bill by consuming the time that must of necessity be taken up by consideration not only of the four tariff items reported by the committee but of other tariff amendments, which inevitably will be injected into the debate and into the consideration of the bill if those four items remain in the bill.

I suppose, Mr. President—

Mr. VANDENBERG. Mr. President, will the Senator yield for just one more question?

Mr. LA FOLLETTE. I yield to the Senator from Michigan.

Mr. VANDENBERG. Does the Senator see any distinction between commodities which are now upon the dutiable list and which can go to the Tariff Commission for relief and commodities which are on the free list which have no recourse except to Congress, which have the benefit of reports from the Tariff Commission and which are threatened with extinction, except as they have relief? Does the Senator see any distinction between the two classifications?

Mr. LA FOLLETTE. I see the different positions that they are in; but, in so far as any relief which they might hope to get within reasonable time from the present Tariff Commission is concerned, it seems to me that they are all practically in the same boat—whether they are on the dutiable list or on the free list.

Mr. TYDINGS. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Maryland.

Mr. TYDINGS. I hope the Senator from Wisconsin will ask the Senator from Michigan what he thinks of the lumber tariff which has been inserted in the bill, and against which the Tariff Commission has reported, and elicit from him whether or not he thinks we ought to pass on that measure at this session of Congress.

Mr. LA FOLLETTE. Mr. President, I am not discussing, except in a general way, the tariff items in the bill other



than the one now under consideration. I presume the Senator from Michigan will state his position on the other tariff proposals, as I expect to state mine when they come up. I do wish to point out, however, that this is a time when the leadership on both sides of this Chamber should assert itself. That leadership, after all, is responsible for what the Senate does with the tax bill. I fully understand the pressure being put upon Senators who represent various States in which these industries seeking what I believe to be an illusory relief through a tariff are located. But if we are to preserve orderly procedure in the consideration of this bill, the time has come for leadership upon both sides of the aisle here. These tariff items should be eliminated from the bill in order that we may proceed to the consideration of the important fiscal problems that are involved in the revenue features of this measure.

Unless we strike these tariffs from the bill we shall be confronted with a chaotic situation. Not only will the four tariff items in the bill as reported from the committee consume a disproportionate and unjustifiable length of time but other items will be offered and the debate upon those items will delay the passage of the bill for weeks.

If Senators want to go into a general revision of the tariff, I am ready to stay here all summer. The Senator from Louisiana [Mr. LONG] has been reading the record votes of Senators upon some of the hundreds of items upon which record votes were taken in the Smoot-Hawley tariff bill. So far as I can see, Mr. President, those votes have no more relation to the broad question of policy which we are to follow in connection with the pending measure than "the flowers that bloom in the spring." When the tariff bill was under consideration, obviously it was our task to revise the tariff. Speaking for myself, I tried to exercise the best judgment of which I was capable, after listening to the arguments, in coming to a determination as to the fair and just rates to be supported in connection with the various items of the bill.

I contend that we must save the time of the Senate by eliminating these tariff items from the bill. We should devote our time and our energies to framing the best tax bill which the composite judgment of this Congress can work out. Unless we do that, I reiterate we shall be inviting a general revision of the tariff which will block the passage of the pending bill for weeks.

If that is what the leaders of the Senate desire, if that is what the chairman of the committee, who is responsible for the conduct of this bill, desires, I am ready to stay here and work on a general revision of the tariff as many months as the Senate may elect to give to it; but I protest against such a course.

Mr. VANDENBERG. Mr. President, may I ask the Senator before he takes his seat, sharing as I do completely his anxiety for speed, he having concluded his address, does he not agree with me that it would now be advisable to call the roll and ascertain whether it is going to be necessary to debate this problem any longer?

Mr. LA FOLLETTE. So far as I am concerned, I am ready to vote on this question. I can not speak for other Senators who have not discussed it and who may desire to argue it further. But, as I say, so far as I am concerned I am ready for a vote. I was ready for a vote in the Finance Committee the day we met. I hoped then that the action I urged upon the committee would be taken. It was not taken, however. I realize if the votes are here to put these tariff items in the bill that we are going to have a revision of the tariff, and I will be resigned to it. The Senator knows that.

Mr. VANDENBERG. Would the Senator agree to a unanimous-consent request to vote at 2 o'clock?

Mr. LA FOLLETTE. So far as I am concerned I shall be very glad to agree to such a request.

The PRESIDING OFFICER (Mr. DILL in the chair). The question is on the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the amendment reported by the committee.

Mr. TYDINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Sheppard
Austin	Cutting	Kendrick	Shortridge
Bailey	Davis	Keyes	Smith
Bankhead	Dill	La Follette	Smoot
Barbour	Fess	Lewis	Steiwer
Barkley	Fletcher	Logan	Stephens
Bingham	Frazier	Long	Thomas, Idaho
Blaine	George	McGill	Thomas, Okla.
Bratton	Glass	McNary	Townsend
Brookhart	Glenn	Metcalf	Trammell
Bulkeley	Goldsborough	Moses	Tydings
Bulow	Gore	Neely	Vandenberg
Capper	Hale	Norris	Wagner
Caraway	Harrison	Nye	Walcott
Cohen	Hastings	Oddie	Walsh, Mass.
Connally	Hatfield	Pittman	Walsh, Mont.
Coolidge	Hayden	Reed	Watson
Copeland	Hull	Robinson, Ark.	Wheeler
Costigan	Johnson	Robinson, Ind.	White

Mr. FESS. I wish to announce that the Senator from Wyoming [Mr. CAREY] and the Senator from South Dakota [Mr. NORRIS] are detained at a meeting of the Committee on Banking and Currency.

The PRESIDING OFFICER. Seventy-six Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Nebraska [Mr. NORRIS], on which the yeas and nays have been ordered.

Mr. TYDINGS. Mr. President, I hope I may have the attention for a moment of the Senators on the other side of the aisle.

Some one in speaking yesterday made the assertion that President Hoover should take a hand in this matter, wipe out these tariffs, get the members of his party here to line up with him, and pass this tax bill promptly.

Normally I do not believe that the President should interfere with the legislative branch of the Government. We are here to pass the laws, and the President's duty is to approve or reject them. However, the majority leader yesterday made the statement that a preliminary poll showed that there were 29 Democrats against these tariffs and 18 Republicans against them, making a total of 47; that there were 18 Democrats for the tariffs and 30 Republicans for them, making a total of 48. That is on the whole tariff picture. I understand that some of the Senators who favor one tariff do not favor another; and, as a result of the logrolling process, if certain Members do not get the tariff they want on the particular commodity produced in their State they will, of course, turn around and vote against tariffs on the other commodities.

The point is that for one solid day, without any Senator speaking more than once, the tariff and not the revenue bill, has been discussed. We have been debating the difference between the cost of production at home and abroad and the whole gamut of tariff arguments. While a deficit of \$3,000,000,000 impends, with every business man frightened, with 10,000,000 people unemployed, with 4,800 bank failures in the last two years, with nearly three-quarters of a million farms sold under mortgage foreclosure or because of delinquent taxes, we sit here and debate a tariff bill, while every man in the country has his eyes upon us and asks us to pass this bill and balance the Budget!

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. Just a minute.

Mr. President, the way to pass this tax bill is to take these controversial tariff measures out of it. It should be obvious to any man with good eyesight and good ears and a reasonable amount of intelligence that if we are to consider these four items and if they are adopted, motions to reconsider will be entered, and we will debate them over and over and over again, and waste time, in a period of tremendous emergency.

Mr. SHORTRIDGE. Mr. President—

Mr. TYDINGS. In just a minute, when I finish, I will yield.



I think the President is justified in interfering in that emergency. Moreover, I think it is his duty. I respect the fact that up to now he has not called upon the Congress to put these tariffs out of the bill, because he had reason to believe there was enough intelligence, enough common sense, and enough patriotism in this body to do the job without asking him for his assistance. Now, if 30 members of his party out of 47 are for these tariffs, and if 29 Members on this side of the aisle are against them, we need but very little assistance from the other side of the aisle to make these tariff items as dead as Methuselah.

Mr. LONG. Mr. President, will the Senator let me ask him one question?

Mr. TYDINGS. When I finish I will yield to anyone. I want to conclude what I am saying now.

With 10,000,000 people unemployed, with the Budget unbalanced, with the whole world in chaos, with fear not national but international, I say that for the Senate to sit here and take up a tariff item is enough to precipitate a situation the noun for which I hesitate to utter.

Have we gone mad? Have we lost all sense of reality? Have we no idea that if we carry this period of unrest and fear from one week to another a panic will break loose in this country which all the tariffs under heaven will never stem? And yet we sit here to take care of some little interest in this State or that State, instead of rising above the petty sectionalism of the moment and acting for the Nation.

"My State!" "My State!" My God, let us hear "My country"; because what good is your State if your country sinks into the quagmire of ruin? Can we not engender enough manhood and patriotism, even if it means our political defeat, to say, "I will serve my country, no matter what the consequences may be"?

We expect men to go out upon the battlefield in times of war; and when the word goes forward, and shells are breaking all over the ground, and machine guns are sending their bullets through the air, and the enemy is entrenched, we expect men to go forward and lay down their lives to save the business and the institutions of government. We come here in times of peace and make the sacrifice of the dead look like a travesty of patriotism, and talk about the interests of "my State." My God! The country's interests should receive some consideration here.

I say, and I say respectfully, that if the man at the other end of Pennsylvania Avenue had interjected into this fight his leadership up to this time he might have been justly criticized; but I say it is perfectly evident now that we are in the midst of a tariff battle, and it only takes a word from the White House to the leaders of this body, it only takes a suggestion to the country to ask their Senators to pass this bill quickly, drop these controversial matters, raise the taxes, and balance the Budget, and the country will respond.

Mr. LONG. Mr. President, a point of order.

The PRESIDING OFFICER (Mr. Fess in the chair). The Senator will state his point of order.

Mr. LONG. If the Senator from Maryland would sit down, we could dispose of the tariff items.

The PRESIDING OFFICER. That is not a point of order. The Senator from Maryland will proceed.

Mr. TYDINGS. I think the point of most disorder is an interruption of that character.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. TYDINGS. Yes; I yield.

Mr. SMOOT. I know that every Senator in this body would like to have the bill passed. Will the Senator agree now to a vote upon all of these amendments?

Mr. TYDINGS. Does the Senator give me the right to put phosphate in this bill and ask for a vote upon it?

Mr. SMOOT. The Senator can offer any amendment he desires.

Mr. TYDINGS. Does the Senator give me the right to put wood pulp up for a vote? I ask the Senator. Let him answer. I answered his question. Why should not all the tariff items have an equal right? Who are the "big four"?

Mr. SMOOT. The Senator can offer the amendment, of course.

Mr. TYDINGS. The Senator from Utah has gotten himself into this fix by letting the copper interests of Utah stand out bigger than his own country in this period of emergency, and he the leader of the Finance Committee!

Mr. SMOOT. I deny the statement, and I say that the Senator is absolutely wrong. I have never asked for a duty on copper. Copper has been on the free list for years and years. I have been here and voted on duties since 1909, the year of the first tariff bill that was passed during my service, and I have never asked for any duty upon copper.

Mr. TYDINGS. I say to the Senator now that he can have his revenue bill passed in no time at all, and it would have been passed by this hour if he had not voted to inject these things into it.

Mr. SMOOT. It could have been passed long ago if the Senator from Maryland had not taken the time that he already has taken.

Mr. TYDINGS. Yes; if the Senator from Maryland had sat idly by and seen the people of America taxed \$487,000,000 a year, not for the benefit of the Government but for the benefit of 20 large oil companies. When the Senator from Maryland does that I hope the people will come and get him by the back of the neck and take him out of this Chamber.

Mr. SMOOT. Mr. President, I want to say to the Senator that back of all of that are a few industries in Maryland, over in Baltimore, who are interested in this.

Mr. TYDINGS. Am I asking for any tariff?

Mr. SMOOT. No; but the Senator wants them to have a free hand, just as they have had always.

Mr. TYDINGS. They are going to have just as much consideration as the Senator's constituents in Utah have, as long as I stand in this body.

Mr. SMOOT. I have not objected to it, and the only one who is objecting to the consideration now is the Senator from Maryland.

Mr. TYDINGS. But the Senator knows that if I start to offer these amendments he will be the first one to suggest that there be no discussion of them, that we hurry up and pass the tax bill, after he has gotten protection for copper in Utah.

Mr. President, the future of this country is none too bright. The future of the world is dark. Everywhere we see international hatreds rising like clouds, shutting out the sunshine of international good will and international trade. Everyone realizes that. International animosities break all bounds. In parts of the world there is almost a state of war, without guns being fired. Revolutions stir the whole world, in Spain, in Italy, in Poland, in Germany, in South America, in England, and almost in this country. Yet we stand here, with the great necessity of balancing the Budget and restoring confidence before us, and can not rise above the petty, little, pitiful, interests of our own respective States. Yet when war comes, we do not hesitate in this body to vote to draft men, and tell them to go out and die, when we ourselves in times of peace have not courage enough to kill a fly.

Mr. President, I say that it is up to the leader of this country, who is neither a Democrat nor a Republican in this case, but an American, to tell the Congress to cut this tariff debate out, to take these items out of the bill, and pass it, and save this country from ruin while there is yet time to act.

The Senator from Utah knows, as well as I do, that even if these amendments are adopted, if these tariff matters are written into the bill, motions will be filed to reconsider, and they will be debated all over again. The Senator does not deny that. That will consume days and weeks. The Senator from Nebraska is going to see, of course, that the farmers out in his section of the country are not left out in the cold. He is going to ask for the consideration of the export-debenture plan, and that will take weeks.

The fiscal year will end on the 30th of June, a bare six weeks away. Are we to go into the next fiscal year with a rising deficit of \$3,000,000,000, and no tax bill passed to take



care of it, and still another year coming on, with a greater and an increasing deficit?

I call on the President, not as a Democrat, because my position here is too small to command the attention of the country. I call on the President to go on the radio and ask the people of this country to tell their representatives here to act; and, believe me, we will pass the bill with about 96 votes in the affirmative.

The press of the country denounces this tariff measure to-day. There is not a paper of reputable standing in the country that justifies the insertion of these tariff items in this bill at this time.

The public does not want them in the bill. The public wants the Budget balanced, because even if you save the oil industry—which, in my judgment, will not amount to the snap of a finger under this bill, as far as helping the independent producer is concerned—even if you save the copper industry or the lumber industry or the coal industry, if you do not save your country what good will it do?—

What shall it profit a man, if he shall gain the whole world, and lose his own soul?

The leader on the other side of the aisle admitted that 18 Democrats favor these tariffs and that 30 Republicans favor it. I do not know whether that is accurate or not. It means, if it is accurate, that 29 Democrats are opposed to them and ready to vote them out of the bill, while only 18 Republicans oppose them. Let the President, not as a Republican, not as a Democrat, but as the leader of all the people, appeal to the country. If he does issue one more statement and goes on the radio, I say to my Democratic friends on this side that he will gain a million votes overnight, and Senators over here have not discernment enough to see that they are kicking Hoover upstairs so fast that it looks as if he is going up in an airplane.

If he were to say this instant something along the line of my suggestion, it would take a force of dozens of stenographers to answer the protests which would come in on this body, and I believe those protests would be justified.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Oklahoma. Does not the Senator think that the President has already done enough for these four big oil companies?

Mr. TYDINGS. In this great emergency I hope, and I am going to say that I think, the President is bigger than any 4 big oil companies, any 10 big copper companies, any 3 big lumber companies, or any 25 big coal companies; and if he is not, then God help this Republic.

Mr. President, I send to the desk an article from to-day's Washington Daily News typical of many editorials, which I ask to have the clerk read in my time.

The PRESIDING OFFICER. Without objection, the clerk will read.

Mr. LONG. Mr. President, I am not very well acquainted with the rules of the Senate, as the Chair knows. The Senator, I assume, has a right to have this communication read by the clerk; or does it take unanimous consent?

Mr. TYDINGS. If I may answer before the Chair responds, I will say that the rules of courtesy should receive equal standing with the rules of the Senate; although the rules of the Senate support my request.

The PRESIDING OFFICER. The Chair will say—

Mr. LONG. I object to the Senator having the clerk read anything.

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that any Senator may make a request to have an article read, and the Chair usually says that, without objection, the clerk will read. If there is any objection—

Mr. LONG. I object.

Mr. TYDINGS. Let the article be sent back to me, and I will read it.

Mr. LONG. I object to the clerk reading anything for him.

Mr. TYDINGS. I am very grateful that 94 other Senators did not object.

The PRESIDING OFFICER. Will the Senator from Maryland wait a moment?

Mr. TYDINGS. I would not accept a favor from one who has so little regard for courtesy as to give it at this belated time.

The PRESIDING OFFICER. The Senator will please be in order. The proper procedure is, when a Senator objects to the reading of an article at the desk, for the Chair to submit to the Senate the question of its reading, which shall be decided without debate.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. The Senator from Illinois.

Mr. LEWIS. I move that the Senate grant the privilege to the Senator from Maryland to have his extract read by the clerk in such form as is the customary practice of this body in extending courtesies from one Senator to another.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois. [Putting the question.]

The ayes have it, and the motion is agreed to.

Mr. TYDINGS. Mr. President, before the reading of the article I am sending to the desk takes place, I would like to thank Senators for the sportsmanship and fair play of those who voted in the affirmative and have that quality.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

#### THE TARIFF RAIDERS

The vital task of balancing the Federal Budget is threatened by the tariff lobby. They say they will hold up the tax bill all summer unless they are allowed to attach their tariff riders. The anti-tariff forces reply that if oil, coal, lumber, and copper tariffs are jammed into the tax bill they will fight to put 500 other tariff items of their own into the bill.

We happen to oppose a higher tariff as destructive of business—so proved by the Hawley-Smoot monstrosity which has destroyed foreign trade, started a world trade war, and prolonged the depression. But that is not the issue here.

Whether higher tariffs are good or bad, they have no place in a tax bill. Most of them are virtual embargoes which will raise little or no revenue.

If one such tariff is accepted in the tax bill the way will be open for all of the degrading logrolling which characterizes a tariff bill. That means unscrupulous trading. It means months of delay.

The Democratic leaders in the Senate are trying to save the tax bill by fighting off the tariff raiders. The Republican leaders, as usual, are on the tariff side—rule or ruin.

Here is a chance for the President, the bankers, the business men, and all and sundry who have been pleading for prompt passage of an adequate tax bill to balance the Budget, to help rescue the bill from the tariff raid.

Mr. TYDINGS. Mr. President, another striking feature about this contest which is now going on is the fact that we are having an exact duplication of what happened in the House of Representatives, where both parties broke, and, under the leadership of Mr. LaGuardia, of New York, more or less overrode the recommendations of the Ways and Means Committee and chaos ensued.

Nothing in these tariffs will hurt the revenue-raising proposition at all; but the situation is reversed here because the party that was in the minority in the House is in the majority in the Senate, and we find the Senator from Louisiana [Mr. Long] the leader in this fight. We find many on the other side of the aisle—and many on this side of the aisle—following the leadership of the Senator from Louisiana. We find the committee has thrown overboard the consideration of revenue raising; and that, under the banner raised by the Senator from Louisiana, the chairman of the Finance Committee, the Senator from Utah [Mr. Smoot], is enlisted as first sergeant and right guide. We find other Senators over there similarly situated, and I regret that we have some corporals and privates over on



this side; but it is a rather unusual army, and the new general upon the field has walked out and taken command, while Privates Smoot, Watson, and the rest of them march under the new Long banner. [Laughter.]

Mr. LONG. Mr. President—

Mr. TYDINGS. Mr. President, I refuse to yield to a man who does not understand what the definition of courtesy is.

The PRESIDING OFFICER. The Senator from Maryland declines to yield.

Mr. TYDINGS. Yesterday I read what would happen to the farmers of this country if this tariff were adopted and were effective, how it would raise their operating costs in each State of the Union. To-day I have a more comprehensive table. First of all, this table shows the number of automobiles on the farms of each State. It shows the number of motor trucks on the farms of each State. It

shows the number of tractors on the farms of each State. It shows the number of stationary gas engines on the farms of each State. It shows the average yearly consumption of gasoline by all motor vehicles, trucks, tractors, and stationary engines. It shows the total amount of gasoline consumed on farms, and the additional cost to the farmers, by States, if a tariff of 4 cents a gallon is levied on gasoline, as is proposed in this bill, with the correction that under the proposed rate of 2½ cents, the totals in the last column should be 62½ per cent of the figures given.

I ask that this table be inserted in the RECORD, and that those who represent agricultural States will hear in due course of time from those who will have these bills to pay.

The PRESIDING OFFICER. Without objection, it is so ordered. The table is as follows:

*The cost of an oil tariff to American farmers*

[It has been estimated that the proposed tariff on imported crude oil or refined petroleum products, or both, will increase the average retail price of gasoline throughout the United States by 4 cents per gallon. No one group would be more severely affected by such an increase than the farmers, who utilize 25 per cent of all gasoline consumed in the United States in operation of their automobiles, trucks, tractors, and stationary engines. The tariff-added cost to farmers would aggregate \$150,000,000 yearly.]

	Number of automobiles on farms <sup>1</sup>	Number of motor trucks on farms <sup>1</sup>	Number of tractors on farms <sup>1</sup>	Number of stationary gas engines on farms <sup>1</sup>	Average yearly consumption all motor vehicles United States <sup>2</sup>	Consumed by automobiles and trucks on farms	Consumed by tractors on farms at 700 gallons per year	Consumed by stationary gas engines on farms at 400 gallons per year	Total gasoline consumed on farms yearly	62½ per cent additional cost to farms of increase of 4 cents per gallon
					Gallons	Gallons	Gallons	Gallons	Gallons	
Alabama.....	73,634	12,833	4,664	2,485	623	53,872,056	3,264,800	994,000	58,130,856	\$2,325,234.24
Arizona.....	9,916	3,052	2,558	3,095	604	7,838,712	1,790,600	1,238,000	10,867,312	434,692.48
Arkansas.....	65,935	11,000	5,684	4,730	584	44,930,040	3,978,800	1,892,000	50,800,840	2,032,033.60
California.....	136,842	40,971	44,437	32,784	569	101,175,597	31,105,900	13,113,600	145,395,097	5,815,803.88
Colorado.....	32,258	16,918	13,334	11,470	498	34,449,648	9,333,800	4,588,000	48,371,448	1,934,857.92
Connecticut.....	13,154	6,344	2,667	5,462	674	13,141,652	1,866,900	2,184,800	17,193,352	687,734.08
Delaware.....	8,724	2,996	1,600	1,788	602	7,065,440	1,120,000	715,200	8,890,640	355,625.60
Florida.....	26,387	12,203	5,618	4,502	693	26,742,870	3,932,600	1,800,800	32,476,270	1,290,050.80
Georgia.....	88,479	15,967	5,870	5,000	653	68,203,238	4,109,000	2,000,000	74,312,238	2,972,489.52
Idaho.....	33,969	6,281	4,691	10,024	457	18,392,879	3,283,700	4,009,600	25,686,179	1,027,447.16
Illinois.....	192,873	40,371	69,628	79,300	559	130,383,396	48,739,600	31,720,000	210,842,996	8,433,719.84
Indiana.....	154,556	30,037	41,979	39,380	490	90,450,570	29,385,300	15,752,000	135,587,870	5,423,514.80
Iowa.....	240,512	32,609	66,258	114,977	453	123,750,993	46,380,600	45,990,800	216,122,393	8,644,895.72
Kansas.....	171,018	33,648	66,275	38,861	511	104,584,326	46,392,500	15,544,400	166,521,226	6,680,849.04
Kentucky.....	86,784	7,188	7,322	5,326	508	47,737,776	5,125,400	2,130,400	54,993,576	2,199,743.04
Louisiana.....	43,082	9,281	5,016	2,639	671	35,135,573	3,511,200	1,055,000	39,702,773	1,588,094.92
Maine.....	26,227	10,781	3,410	8,342	552	20,428,416	2,887,000	3,336,500	26,152,216	1,046,038.64
Maryland.....	37,972	11,284	7,208	9,330	543	26,746,008	5,045,600	3,732,000	35,523,608	1,420,944.32
Massachusetts.....	17,638	9,672	3,921	5,283	624	16,979,040	2,744,700	2,113,200	21,836,940	873,477.60
Michigan.....	150,922	36,768	34,579	55,366	544	102,103,360	24,205,300	22,146,400	148,455,060	5,938,202.40
Minnesota.....	185,717	36,557	48,457	112,376	472	104,913,328	33,919,900	44,950,400	183,783,628	7,351,345.12
Mississippi.....	85,563	16,503	5,542	2,186	573	58,483,818	3,879,400	874,400	63,237,618	2,529,504.72
Missouri.....	176,466	20,132	24,999	31,718	569	111,864,262	17,499,300	12,687,200	142,050,762	5,692,030.48
Montana.....	38,166	14,615	19,031	13,639	435	22,959,735	13,321,700	5,455,600	41,737,035	1,669,481.40
Nebraska.....	141,144	26,045	40,729	45,902	532	88,944,548	28,510,300	18,360,800	135,815,648	5,432,625.92
Nevada.....	2,921	1,241	360	1,227	571	2,376,502	252,000	490,800	3,119,302	124,772.08
New Hampshire.....	11,079	4,539	1,096	3,725	556	8,683,608	767,200	1,490,000	10,940,808	437,632.32
New Jersey.....	22,371	14,753	8,088	9,036	642	23,833,608	5,661,600	3,614,400	33,109,608	1,324,384.32
New Mexico.....	15,395	5,328	2,497	2,018	647	13,407,781	1,747,900	807,200	15,962,881	638,515.24
New York.....	141,916	58,974	40,369	64,723	623	125,154,470	28,258,300	25,889,200	179,301,970	7,172,078.80
North Carolina.....	132,876	18,538	11,426	4,981	553	83,743,002	7,998,200	1,992,400	93,733,602	3,740,344.08
North Dakota.....	78,798	16,990	37,605	44,165	359	34,387,892	26,323,500	17,666,000	78,377,392	3,135,095.68
Ohio.....	201,552	39,210	52,974	52,508	527	126,881,574	37,081,800	21,003,200	184,966,574	7,398,662.96
Oklahoma.....	127,448	23,930	25,962	9,363	549	83,106,522	18,173,400	3,745,200	105,025,122	4,201,004.88
Oregon.....	47,440	9,741	9,838	17,189	615	35,106,315	6,886,800	6,875,600	48,928,515	1,957,140.60
Pennsylvania.....	152,222	47,062	33,513	57,340	530	105,620,520	23,459,100	22,936,000	152,015,620	6,080,624.80
Rhode Island.....	2,569	1,701	589	707	635	2,711,450	412,300	282,800	3,406,550	136,262.00
South Carolina.....	61,754	6,966	3,462	2,677	545	37,452,400	2,423,400	1,070,800	40,946,600	1,637,864.00
South Dakota.....	81,923	14,816	33,837	34,475	427	41,307,553	23,685,900	13,790,000	78,783,453	3,151,338.12
Tennessee.....	89,022	9,039	6,865	4,895	582	57,071,502	4,805,500	1,958,000	63,835,002	2,533,400.08
Texas.....	300,176	52,580	37,348	18,974	540	190,488,240	26,143,600	7,589,600	224,221,440	8,968,857.60
Utah.....	17,574	4,189	1,426	1,236	527	11,469,101	998,200	494,400	12,961,701	512,468.04
Vermont.....	18,620	5,035	2,426	10,962	543	12,844,665	1,698,200	4,384,800	18,927,665	757,106.60
Virginia.....	88,463	19,459	9,757	10,298	573	61,839,306	6,829,900	4,119,200	72,788,406	2,911,636.24
Washington.....	55,995	18,836	8,388	18,762	542	40,568,402	5,871,600	7,504,800	53,934,802	2,157,392.08
West Virginia.....	36,978	7,432	2,792	4,314	503	22,338,230	1,954,400	1,725,600	25,018,230	1,040,729.20
Wisconsin.....	176,764	51,785	50,173	108,134	531	121,360,050	35,121,100	43,253,600	199,734,750	7,989,390.00
Wyoming.....	12,824	4,108	4,110	3,424	588	9,956,016	2,877,000	1,369,600	14,202,616	568,104.64
District of Columbia.....	60	81	17	10	510	71,910	11,900	4,000	87,810	3,512.40
Total.....	4,134,675	900,385	920,396	1,131,108	539	2,713,097,900	644,276,500	452,443,200	3,809,817,600	152,392,704.00

<sup>1</sup> From 1930 Farm Census, U. S. Department of Commerce.

<sup>2</sup> Computed from "Gasoline taxes, 1930," U. S. Department of Agriculture.

NOTE.—Average consumption of gasoline per year for motor vehicles (automobiles and trucks) was 539 gallons in 1930. It is conservatively estimated that the average tractor will consume 700 gallons per year and the average stationary engine 400 gallons. The was of all United States farms reporting the use of gasoline-driven equipment is as follows (U. S. Department of Commerce): Automobiles, 58 per cent; motor trucks, 13.4 per cent; tractors, 13.5 per cent; stationary gasoline engines, 15 per cent. An increased gasoline cost will tend to decrease the percentage of farmers who can afford to avail themselves of the benefits of these efficient farm tools.

Mr. TYDINGS. Mr. President, I also want to insert in the RECORD an estimate of the amount that it will cost the consumers in each State if we place a tariff of 2½ cents a gallon on gasoline. The figures I read yesterday dealt only with the farms. The figures I have to-day deal with all of the motor vehicles on the farms, by States, and the figures, of course, are much higher than those I read yesterday.

I ask all farmers who receive the CONGRESSIONAL RECORD to note the votes of their Senators on this bill, and to acquaint those who do not receive the CONGRESSIONAL RECORD with the votes of their Senators on this bill, in order that they may determine by action rather than words who really is for farm relief in this country.

The PRESIDING OFFICER. Without objection, the table will be inserted in the RECORD.



The table is as follows:

Estimate of the amount it will cost consumers of each State to place a tariff of 2½ cents a gallon on gasoline

State	Gasoline consumed, 1931	Increased price at 2½ cents per gallon
Alabama	163,000,000	\$4,075,000
Arizona	74,000,000	1,850,000
Arkansas	127,000,000	3,175,000
California	1,401,000,000	35,025,000
Colorado	176,000,000	4,400,000
Connecticut	249,000,000	6,225,000
Delaware	38,000,000	950,000
District of Columbia	93,000,000	2,325,000
Florida	232,000,000	5,800,000
Georgia	222,000,000	5,550,000
Idaho	60,000,000	1,500,000
Illinois	1,048,000,000	26,200,000
Indiana	481,000,000	12,025,000
Iowa	412,000,000	10,300,000
Kansas	485,000,000	12,125,000
Kentucky	176,000,000	4,400,000
Louisiana	188,000,000	4,700,000
Maine	116,000,000	2,900,000
Maryland	189,000,000	4,725,000
Massachusetts	577,000,000	14,425,000
Michigan	821,000,000	20,525,000
Minnesota	442,000,000	11,050,000
Mississippi	116,000,000	2,875,000
Missouri	492,000,000	12,300,000
Montana	76,000,000	1,900,000
Nebraska	228,000,000	5,700,000
Nevada	23,000,000	575,000
New Hampshire	68,000,000	1,700,000
New Jersey	711,000,000	17,775,000
New Mexico	52,000,000	1,300,000
New York	1,625,000,000	40,625,000
North Carolina	256,000,000	6,400,000
North Dakota	115,000,000	2,875,000
Ohio	985,000,000	24,625,000
Oklahoma	300,000,000	7,500,000
Oregon	174,000,000	4,350,000
Pennsylvania	1,063,000,000	26,575,000
Rhode Island	98,000,000	2,450,000
South Carolina	121,000,000	3,025,000
South Dakota	134,000,000	3,350,000
Tennessee	214,000,000	5,350,000
Texas	826,000,000	20,650,000
Utah	61,000,000	1,525,000

Estimate of the amount it will cost consumers of each State to place a tariff of 2½ cents a gallon on gasoline—Continued

State	Gasoline consumed, 1931	Increased price at 2½ cents per gallon
Vermont	49,000,000	\$1,225,000
Virginia	244,000,000	6,100,000
Washington	273,000,000	6,825,000
West Virginia	144,000,000	3,600,000
Wisconsin	456,000,000	11,400,000
Wyoming	39,000,000	975,000
Total	16,712,000,000	417,800,000

1 Bureau of Mines estimate.

Mr. TYDINGS. It is claimed here that oil is in a very bad position. I have a table, prepared by the Department of Labor, of indexes as of January, 1931, to February, 1932, inclusive, showing for the 12 months of the year 1931 and the first 2 months of 1932 that the index price of oil is above the index price of commodities generally; so notwithstanding oil is now in a more favorable condition than commodities as a whole, these men have the effrontery to come on the floor of the Senate and ask for a larger boost so they may be still farther raised above the commodity price level of the country. In January, 1932, the commodity price level of all commodities, 784 in number, was 67.3. Fuel and lighting, including oil, was 67.9. In February, 1932, all commodities had an index price of 66.3 and oil 68.3, an increase of 2 per cent over the commodity level; so that alone, in a period of great depression, when every industry, when every business, when every commodity, when every person is suffering, does not justify the oil industry in coming here and asking for additional help at this time.

I ask that the table may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Wholesale prices, Department of Labor indexes, January, 1931–February, 1932, inclusive  
[1925 = 100]

	1931												1932	
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
All commodities (784 items)	78.2	76.8	76.0	74.8	73.2	72.1	72.0	72.1	71.2	70.3	70.2	68.6	67.3	66.3
Farm products	73.1	70.1	70.6	70.1	67.1	65.4	64.9	63.5	60.5	58.8	58.7	55.7	52.8	50.6
Foods	80.7	78.0	77.6	76.3	73.8	73.3	74.0	74.6	73.7	73.3	71.0	69.1	64.7	62.5
Hides and leather	88.7	86.9	87.6	87.5	87.6	88.0	89.4	88.7	85.0	82.5	81.6	79.8	79.3	78.3
Textiles	71.3	70.9	70.0	68.2	67.4	66.6	66.5	65.5	64.5	63.0	62.2	60.8	59.9	59.8
Fuel and lighting (including oils)	73.3	72.5	69.3	65.4	63.3	62.9	62.9	66.5	67.4	67.8	69.4	68.3	67.9	63.3
Metals and metal products	86.9	86.5	86.4	85.7	85.0	84.4	84.3	83.9	83.9	82.8	82.6	82.2	81.8	80.9
Building materials	83.8	82.5	82.5	81.5	80.0	79.3	78.1	77.6	77.0	76.1	76.2	75.7	74.8	73.4
Chemicals and drugs	84.5	83.3	82.9	81.3	80.5	79.4	78.9	76.9	76.3	75.6	76.1	76.1	75.7	75.3
House-furnishing goods	88.3	88.1	88.0	87.9	86.8	86.4	85.7	84.9	82.7	81.0	80.9	78.5	77.7	77.5
Miscellaneous	72.2	71.5	72.0	71.5	70.5	69.7	69.7	68.3	68.2	66.6	68.7	66.8	65.6	64.7

1 Revised as of Jan. 1, 1932, by including prices for 784 items instead of 550 items.

Mr. TYDINGS. Mr. President, I want to show the oil prices for 1931 and the present prices of oil. I am quoting figures from the National Petroleum News. The low price for 1931 was 40 cents in the United States. In April, 1932, it was 81 cents, an increase of 41 cents. The percentage of increase is 102.5 per cent. In other words, from the low price level of 1931 crude oil in domestic fields has increased in price to this day 102.5 per cent, and no Senator will deny it. What other commodity has had an increase in price from the low of 1931 to the present moment of 102.5 per cent? I would like to know of such a commodity. I do not believe there is another one in the whole country. If copper were in that situation my friend from Michigan [Mr. VANDENBERG], at whom I am looking at this moment, would not need a copper tariff because its price has not risen, but the oil price has gone up over 100 per cent from the low of 1931.

I ask that this table may be inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Low prices for 1931 and present prices (April 11, 1932) of crude oil in domestic fields

District	Low price for 1931		Price Apr. 11, 1932	Increase	Percentage increase
	Month	Amount			
United States	July	\$0.40	\$0.81	\$0.41	102.50
California	April-May	.46	.72	.26	56.50
Pennsylvania	July	1.42	1.82	.40	28.17
Rocky Mountain	do	.27	.77	.50	185.19
Gulf coast	do	.42	.76	.34	80.95
East Texas	do	.10	.98	.88	880.00
Mid-continent	do	.24	1.77	.53	220.83

1 Weighted average.

April price for east Texas from National Petroleum News; prices for other fields from Oil Statistics Co. table of Apr. 12, 1932.

Mr. TYDINGS. What does the Treasury say about the revenue features of this nefarious proposition? The Senator from Utah [Mr. SMOOT] is either inconsistent or insincere, because he signed the report saying that this tariff would yield the Government a mere \$5,000,000 a year, and



after he had written that in black on white over his own signature he comes upon the floor and says that it will raise as much as \$20,000,000 or \$25,000,000 a year. Obviously, he could not be right both times. I simply mention that as an example of the kind of elasticity that gets into these tariff arguments.

I hope my friend from Iowa [Mr. BROOKHART], now sitting over on the other side of the Chamber, whom I have often known to rise on the floor and plead for the farmers, showing how money was given to the big railroads and to the big corporations and to Wall Street and to what not, will not be taken in by the sophistry which is being presented here by the proponents of this tariff, and that he will not place upon his constituents, the farmers of Iowa, an additional gasoline bill of \$5,403,060 a year more than they are now paying, which will not go into the Treasury of the Government, but will go into the treasury of the major oil companies and for which the farmer will not receive a single solitary bit of benefit.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. Certainly.

Mr. BROOKHART. Yes; I have presented the case of the farmers in the figures the Senator mentioned. The Senator has opposed me so consistently that I have a certain amount of suspicion when he comes in on my side now.

Mr. TYDINGS. When the Senator does present this matter to the farmers of Iowa, let him tell them that these large oil companies already have a year's supply of oil, without buying a single gill, enough for one year's supply to every man, woman, and child in the country who uses gasoline; and if they know that to be true, which is true by the Government's own report, all he will do by these new taxes is to put \$486,000,000 into the treasury of those large oil companies. Then let him justify his position in view of these facts if he can.

I want to take up the so-called revenue features of the bill and show the absurdity of the whole thing in this internal-revenue matter. If the proposed tax becomes effective as an embargo, the intent of its authors, it will cost the American public approximately \$500,000,000 annually, not a penny of which will go into the Federal Treasury, but all of which, taken from an already burdened public, will go into the coffers of the major oil companies of this Republic. That money is going to come from communities which are going down in their own pockets to keep the people from starving to death. It is going to come from communities where farms are being sold under the hammer every day. It is going to come from communities where hundreds of banks have failed—600 of them in the State of Iowa alone. It is going to come from communities where people fear to look ahead unless we can turn from the valley of despair and climb once more to the heights of promise and prosperity.

It is estimated, based on the figures of the Bureau of Mines, that the American public last year consumed 16,712,000,000 gallons of gasoline. If that figure is multiplied by  $2\frac{1}{2}$  cents, the total will be \$417,000,000. The increased cost of fuel oil will add another \$75,000,000 to be taken from the public, making a total of almost \$500,000,000. Ninety per cent of this money will go to the great oil companies who process, transport, wholesale, and retail most of the products.

The monopolistic subject made its legislative debut in the McCumber-Fordney bill 10 years ago. It was thrown out as too raw even for the high protectionists then. During the intervening decade swarms of locust lobbyists have hibernated at the Capitol and at the slightest prospect of success they have sought to have it enacted into law under one guise or another as a tariff or an embargo. Never until the present year have they had the temerity to urge it as a rider upon a revenue measure, but now under the skillful guidance of the lobby they have injected it into the revenue bill with the present threat that they will delay indefinitely the passage of legislation essential to the balancing of the Budget and the preservation of the national credit unless this un-American subsidy is adopted.

In the McCumber-Fordney bill the proposed rates were 25 cents on fuel oil and 35 cents a barrel on crude oil. The other by-products were not included. When it reappeared in the Smoot-Hawley bill, it was all embracing, \$1 a barrel on crude oil and 50 per cent ad valorem on all its by-products. Dozens of other bills of similar import have been introduced.

When the tariff was under discussion in the House, Secretary Mills reported—New York Journal of Commerce, February 22, 1932—and mark you this, those who claim it will put revenue in the Treasury:

It is the opinion of the experts of the Department of Commerce—

The opinion of Mr. Hoover's own department, the opinion of the department he built up, backed up by Mr. Mills, who is closer to the President, perhaps, than any other member of the Cabinet. Here is what Mr. Mills said:

It is the opinion of the experts of the Department of Commerce such a tax, 1 or 2 cents per gallon on imported oil, would yield no revenue, since the levy which would be added to the import price exceeds the margin of advantage under which oil is imported into this country, and would therefore exclude the products affected. The same would hold also for a tax on the basis of \$1 a barrel, which entered into the discussion.

Follow me now, because I am coming to a very important bit of conversation which took place between the Senator from Tennessee [Mr. HULL], the Senator from California [Mr. SHORTRIDGE], and Mr. Mills. When Secretary Mills appeared before the Senate Finance Committee on April 14, he was asked by the Senator from Tennessee [Mr. HULL] about the matter of tariff in the revenue bill. He replied—and this is Mr. Mills, a member of the President's Cabinet, the President's official adviser if he has any, a high protectionist, a man who is trying to balance the Budget, a man to whom the whole country looks now for financial guidance. What did he say about these tariffs?—

Senator HULL, you have no illusion. I know some people have, but you have none as to the character of the two items in this bill.

They were coal and oil.

Senator HULL. I was hoping that I had not.

Secretary MILLS. I certainly have not. They are not revenue measures. They are protective-tariff measures.

Then the Senator from Utah [Mr. SMOOT]—I am sorry he is not here at the moment—has the effrontery to rise on the floor of the Senate and claim they are revenue measures, when the man charged with the responsibility of balancing the Budget comes here with all the cloak of officialdom, and says they are not revenue measures, but protective-tariff measures.

I continue the quotation:

Senator SHORTRIDGE. Would not this raise some additional revenue, Mr. Secretary? We are framing a bill for the purpose of securing additional revenue.

Secretary MILLS. Not car fare, though, Senator.

That is what Mr. Secretary Mills said. Revenue? It is nothing but car fare. We need to raise \$1,200,000,000 to balance the Budget. What is proposed is, first, only a protective-tariff measure, and, secondly, a measure which will raise only car fare.

At this point I ask Mr. Hoover, the leader of the Republic, the leader of the Republicans, the leader of the Democrats, the leader of the Socialists, the leader of all political parties, to back up his Secretary of the Treasury, who knows about this matter, who has gone into it, and to tell his men, the leaders on the other side of the aisle and Senators on this side of the aisle to fall in line, to cut these tariff items out of the bill, balance the Budget, and restore confidence once again in the country while there is still time to act.

I make the prediction—I may be wrong, and I have many friends who are going to be included in the sweeping remark I am about to make—that there will be no vote cast in this entire Senate with so many political consequences of an evil nature as a vote at this time for these tariff measures, when all the people of this country, from California to Maine and from Florida to Washington, want the Budget balanced first.

These tariff items could not have been put into the bill without trades. I have voted for some tariff measures in my



time, but not a man on this floor can say that I ever made a trade with him on any legislation. I think such a practice is beneath the dignity of a Senator and that he is unworthy to serve in this body if he can not present his proposition on its merits, without having to give something in which he does not believe in order to get a little slice of the pie he really wants for himself. He surrenders his convictions, he surrenders his principles, he surrenders his beliefs, in order that he may trot home with a little piece of decoration to his State and say, "Look what mamma brought you; here is a nice piece of tariff pie." That is the kind of opposition we are forced to fight, an opposition not based on conviction or principle, so it can muster a majority of votes in this body, but one glued together by trades, in which a third of them do not agree on any proposition submitted but will vote for it nevertheless because they may get a little bit of this tariff tax.

I say to Mr. Hoover, "Back up your Secretary of the Treasury." Ogden Mills is, I believe, rising above partisan politics as much as any man in public life to-day is rising above it. I think he sees the peril in which this country is now engulfed; I think he is throwing his vision ahead into the future; I think he was honest before the committee as much so as any man could be; and I say that the President should go along with him in helping to balance the Budget, and we in this body ought to do our part to give him support, not as Democrats or Republicans but in the effort to pass the best revenue bill we can, and leave these tariff measures out of the picture.

Many a Senator who will vote to-day to include these tariff items will wish one week hence that he had never heard of a tariff when we get into the tariff debate. The people of this country know what is going on. They know that there may be cases where an increased tariff is necessary; they know there may be cases where the tariff should be reduced; but they know that the great and important and primary problem now before this Congress is to pass this tax bill, leave the tariff out of it, get it behind us, and look forward to taking care of a relief program in order that we may avoid serious consequences next winter.

We shall vote after a while. I am rather inclined to have a vote, because I want to enjoy, without being a sadist, some of the contortions of those who vote on the initial question of a high tariff when they squirm a week, two weeks, three weeks, or four weeks hence when tons and tons of protests will be coming in here telling them to drop the tariff and get this bill through. It will be interesting to see them make an about face in the presence of an outraged and indignant public.

I am going to offer my 500 amendments now. Mr. President, as I said before, I do not want a single tariff item in this bill; I am opposed to all such items; their injection means months of delay; it will unsettle the country; it will add to the despair and despondency under which millions of people now labor; but if tariff items are to be considered, then I want the interests of my State to be given equal consideration with those of every other State in the Union. This is not a government for copper or oil or coal or lumber; it is a government of people, and the people want legislation more than do the few who control these four large interests.

I hope I will not have to press one of these amendments; I hope that, sooner or later, Senators will not insist upon the adoption of these tariff items; I hope that, sooner or later, the President will take the leadership, which I think now he is justified in asserting, and ask those on the other side of the aisle to join with the 29 of us on this side of the aisle. We only need 20 over there; that is all. If he will enable us to secure the support of just 20, we shall kill every one of these tariff items so dead that they will never raise their heads again at this session; and within 10 days or 2 weeks, in my judgment, we shall enact this tax bill into law and reassure the people of the country that Congress can function; that the Budget is balanced; and we can then turn to the more pressing problems, such as unemployment, which will remain over.

Every man who votes for these tariff items is delaying the day of relief for unemployment, because every day we lose here in discussing the tariff is a day that we could use to discuss some plan for the alleviation of suffering and unemployment. If we discuss the tariff for a month, that will mean that the consideration of unemployment relief must be put off a month, and the people want that question considered now. They do not want us here haggling over a tariff item designed to help a few rich oil companies. They want settled the pressing problem of balancing the Budget; they want a plan adopted to take care of unemployment; they want vision exercised in the effort to bring back some prosperity.

People are writing me saying, "Why do you gentlemen in the Senate not bring up the question of the World Court for consideration?" What good will the World Court be, if, under other circumstances, it would be any good, after we have increased the antipathies, the hates, the fears, and the prejudices of every country under the sun? Already tariff walls are growing like giant redwood trees around every country on the globe. Every nation is locking itself up in water-tight compartments on a sinking ship. We should be on the deck pumping water and not in our little water-tight compartment, where we may be saved temporarily but where we will go down with the rest of them when the ship sinks. Let us vote, Mr. President; let us stand up and be counted—

Mr. GORE. Call the roll.

Mr. TYDINGS. Let us see who is still for the people; let us see who is still for the large oil companies; let us see who wants the tariff injected into this tax bill and the balancing of the Budget postponed. Let us see who wants to transact business and to supplant words with action, to undertake to solve the problems affecting this country, to hasten the consideration of unemployment relief. Let us see whether or not we can do what we asked others to do 13 or 14 years ago and be soldiers enough to have a couple of tariff horses shot from under us in this battle to save the country from defeat.

I want to show that the condition of the oil industry is due to the large production which has come from the new fields. Strange to say, in support of my contention, I ask that there may be printed in the RECORD at this point in my remarks an article from the Oil and Gas Journal entitled "East Texas Depresses Whole Industry. Production of Crude Oil in United States Last Year Held Down Everywhere Else by Continued Proration."

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The article referred to is as follows:

[From the Oil and Gas Journal, January 28, 1932]

EAST TEXAS DEPRESSED WHOLE INDUSTRY—PRODUCTION OF CRUDE OIL IN UNITED STATES LAST YEAR HELD DOWN EVERYWHERE ELSE BY CONTINUED PRORATION

By James McIntyre

It has been estimated by oil men, whose opinion is worth consideration, that the oil fields of the United States could produce 5,000,000 barrels a day if there was reason for such an enormous crude-oil output. This figure is not fantastic by any means. With Texas, California, Oklahoma, and Kansas removing all restrictions, and with drilling operations up to normal, or at the rate of 15,000 new oil wells in a year, it would easily be possible for the country to produce 5,000,000 barrels per day for a limited but considerable period. Last year, however, only 6,703 new oil wells were drilled in this country and production was held to 845,803,454 barrels, an average of 2,317,270 barrels per day, or 46 per cent of its easily attained potential.

With the exception of Texas, New Mexico, and Michigan, every State producing oil showed a decline compared with the production of 1930. Here is how and where production increased or decreased last year, compared with the totals for the year 1930:

Increased production		Barrels
Texas	-----	36,216,473
New Mexico	-----	4,982,968
Michigan	-----	144,000
Total increase	-----	41,343,441
Decreased production		
California	-----	39,262,867
Oklahoma	-----	40,410,743
Arkansas	-----	4,488,375
Kansas	-----	3,167,009
Wyoming	-----	3,047,745



	Barrels
Louisiana	1,024,734
Illinois	934,000
Pennsylvania	1,056,000
Ohio	1,165,000
Kentucky	972,000
West Virginia	634,000
Montana	356,607
New York	459,000
Colorado	130,777
Indiana	159,000
Tennessee	13,000

Total decline..... 97,280,857  
 Net decline in United States..... 55,937,416

## EAST TEXAS RESPONSIBLE

Texas' big increase in production may be altogether attributed to the east central and east Texas divisions, as all the other Texas divisions showed marked decreases in their crude output as compared with the previous year.

Curtailment of production in one form or another was practiced in every State producing oil. A vast number of small wells were shut in a part of the time last year inside and outside the prorated States, because it did not pay to operate them at the existing crude oil prices, and the number of wells reported as producing at the close of the year was only 299,104, as compared with 327,268 wells on production at the close of 1930. A portion of the wells shown in the declining figures were abandoned altogether. The others were kept idle awaiting higher prices. As a result, the average production per well remained about the same in both years, 7.75 barrels per day per well last year and 7.60 barrels per day per well the year before.

## EAST TEXAS CRUDE FLOOD

The east Texas field, made up of the Joiner, Kilgore, and Longview pools, did more to bring stagnation to the general oil industry than any other one thing. Discovered in the fall of 1930, at a time when the industry was trying to control an overproduction from California pools, Oklahoma City and Seminole in Oklahoma and several western Texas pools and the Van field in east central Texas, the east Texas field did not assume importance until, following the opening of the Joiner pool, the Longview and Kilgore pools were discovered, and it became definitely known that a great field had been opened. In the annual review of 1930 the Oil and Gas Journal headed its story of this field with the words, "May Be the World's Largest Oil Field," but some of the large oil companies were skeptical and did not try to get acreage until all three of the pools had been opened. The vast area, occupying about 120,000 acres, was solidly leased up, mostly by small operators and by newcomers in the business, among whom were numerous promoters of stock-selling schemes. So much of the acreage was held in small parcels, ranging all the way from 1 acre upwards, and its ownership was so diversified, that it was impossible to bring about an orderly development, and production began to mount rapidly after February.

When the big companies did get in by purchasing the interests of many of the "little fellows," there was not much improvement in the drilling situation.

Daily production in February averaged 26,062 barrels; in March, 93,579 barrels; in April, 249,325 barrels, continuing upward until it reached a 1-day peak in August exceeding 1,000,000 barrels, with an average for the whole month of August of 542,381 barrels, brought down by the application of martial law in the field by order of Governor Sterling.

## SMALL FINANCIAL RETURN

Meanwhile the price of east Texas crude, which at first was above \$1 per barrel, dropped by degrees to an average of 13 cents per barrel in the week ending August 12. The enforced curtailment of production by the governor's order affected the price of crude favorably, and it advanced to an average of 54 cents in the

week ending September 2, to 66 cents in the week ending September 9, and to 82 cents as an average price in the week ending November 2, which price maintained to the end of the year.

Small operators and royalty owners, who for months objected strenuously to any curtailment of drilling or production, abandoned their attitude when they found that they could get much more money for much less oil and still retain part of their product in the ground. For example, the producers and royalty owners received \$626,465 for 4,818,961 barrels of oil produced in the week ending August 12, while in the last week in December they received \$1,669,680 for 2,036,195 barrels of oil. Thus they received about two and one-half times as much money for less than half the quantity of crude.

## BIG FIRST YEAR OUTPUT

In 1930 the Joiner pool in Rusk County produced only 29,122 barrels, its total for October, November, and December. There was no other production in east Texas. In 1931 Joiner produced 37,932,810 barrels; Kilgore, 43,537,815 barrels; and Longview, 26,257,287 barrels. The combined fields produced 107,727,912 barrels, or an average over the entire year of 295,145 barrels per day. How much this field could have produced is a question. In the last half of the year it could easily have produced the capacity of the pipe lines and railroad facilities available at the time and not been opened to its limit. In the biggest calendar year experienced by the Seminole field (comprising then five pools) it produced 135,951,098 barrels, and its biggest production for 12 months, or from March 1, 1927, to February 28, 1928, was 141,491,000 barrels. Seminole was the largest high-grade oil producer the country had known up to its time. East Texas can easily exceed the best 12-month record of which Seminole was capable, and owing to its immense productive acreage, estimated now at about 90,000 acres, it is believed it could exceed the best 12-month production of which any other high-grade field in the United States is capable, although there may be Californians who will dispute this in favor of Kettleman Hills.

Whatever may be the fate of enforced proration by the Texas State government, it is considered unlikely that the producers of east Texas would permit the field to run wild as it was threatening to do when Governor Sterling intervened last summer. The phantom of 5 and 10 cent oil would be enough to stiffen them into voluntary action to prevent overproduction.

## THE VAN POOL'S BIG SHOWING

The east central Texas area, or Mexia fault field, developed nothing new of importance in 1931 in the way of discoveries, but the Van field, in Van Zandt County, showed a very considerable increase in oil production, even though it was held back by unitization and voluntary curtailment. The Van field has a large actual potential production, but it was kept down to an average well below 50,000 barrels per day through the year. Its total production of 15,542,023 barrels in 1931 was an increase of 8,011,801 barrels over its production of 7,530,222 barrels in 1930. The whole area produced 19,164,902 barrels last year. Of this, the once famous Mexia field produced only 1,186,770 barrels and Powell 1,362,278 barrels. Mexia was down to 2,989 barrels per day in December and Powell to 2,461 barrels. The whole division produced 13,168,608 barrels in 1930 and Van's big production increased it by 5,996,294 barrels last year.

## OLDER TEXAS FIELDS SLUMP

The north Texas, or Wichita Falls field, dropped in production from 32,299,098 barrels in 1930 to 21,850,878 barrels in 1931. Wichita County, where the Burkburnett, Electra, K-M-A, and Iowa Park fields are located, dropped from 8,875,852 barrels to 6,644,987 barrels. Archer County fell off from 6,023,760 barrels to 4,384,656 barrels; Wilbarger County slumped from 7,867,089 barrels to 4,167,000 barrels, and Young County from 5,229,460 barrels to 4,231,600 barrels. Those are the major producing areas in the districts. The lesser fields showed losses and gains, but they were of little consequence in the general picture. The whole area declined 10,448,220 barrels in production in 1931.

Production in the United States, 1924 to 1931, inclusive

	1924	1925	1926	1927	1928	1929	1930	1931	Number active wells Dec. 31, 1931	Daily average production per well
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels		Barrels
California	230,063,117	230,147,342	224,117,013	230,751,463	231,982,597	292,036,911	228,061,899	188,829,032	8,911	58.07
Oklahoma	176,206,397	173,270,063	177,651,198	276,022,024	247,500,851	252,220,474	216,114,591	175,703,848	58,707	8.20
Texas	135,361,378	144,783,451	172,545,278	220,030,512	265,354,357	298,713,094	292,362,102	328,608,575	22,431	10.15
Arkansas	48,167,912	78,407,138	58,729,606	40,411,375	32,137,934	25,443,570	20,114,782	15,626,407	3,231	13.24
Kansas	29,671,551	38,151,622	41,346,511	41,943,577	38,150,878	40,658,170	42,123,347	38,956,338	18,708	5.71
Wyoming	39,251,070	29,229,303	25,465,553	20,983,675	21,403,460	19,071,618	17,740,017	14,692,272	3,536	11.38
Louisiana	20,638,051	21,637,564	24,283,141	24,330,954	22,862,564	21,137,263	23,881,270	22,856,536	2,976	21.04
Illinois	8,041,000	7,862,000	7,770,600	6,873,000	6,475,000	6,356,500	5,651,000	4,717,000	15,300	.85
Pennsylvania	7,529,100	7,831,200	8,971,200	9,642,000	9,914,000	11,804,800	12,918,000	11,862,000	77,300	.42
Ohio	6,797,000	7,175,000	7,307,500	7,542,500	7,105,000	6,730,200	6,483,000	5,318,000	37,250	.40
Kentucky	7,396,900	6,770,000	6,297,200	6,590,000	7,350,000	7,821,400	7,462,000	6,490,000	15,700	1.13
West Virginia	5,924,000	5,780,000	5,962,400	6,033,000	5,745,000	5,608,600	5,111,000	4,477,000	15,200	.81
Montana	2,785,724	4,122,653	7,744,605	5,171,883	3,998,549	3,827,067	3,203,808	2,847,201	1,429	5.46
New York	1,482,000	1,660,000	1,934,200	2,237,000	2,579,000	3,345,000	3,854,000	3,395,000	14,710	.63
Colorado	391,922	1,171,625	2,776,442	2,722,670	2,744,184	2,361,595	1,623,639	1,492,862	244	16.76
New Mexico	81,800	1,096,617	1,685,645	1,214,254	973,891	1,803,261	10,377,415	15,360,383	441	95.43
Indiana	936,000	828,000	785,200	852,500	1,034,000	905,800	990,000	831,000	2,480	.92
Tennessee	6,300	23,000	44,200	62,200	50,000	20,000	20,000	7,000		
Michigan			103,000	436,100	613,000	4,391,200	3,589,000	3,733,000	550	18.59
Miscellaneous			30,780							
Total	720,731,222	759,846,578	775,561,175	908,850,687	897,995,255	1,004,266,723	901,740,870	845,803,454	299,104	7.75



Mr. TYDINGS. Mr. President, I have read heretofore from both party platforms to show that both the parties are against the proposed tariff on oil. What a lot of hypocrites we are, what a lot of scoundrels we are to go out upon a lot of unsuspecting people and solicit their suffrage upon our word and then come here and repudiate it, once we have gained power!

Mr. President, I marvel at the patience of the good people of this land and at the things they take from us, the injustices that we do them, knowing they are injustices, because we are afraid of making Mr. John Brown, who owns a big copper mine, or Mr. Bill Smith, who owns a big oil field, a little angry. We will go through it again; and we will go up to Chicago, all of us, and we will write another mass of glittering words; spellbinders will go out all over the country, saying, "Put our party in power and we will lift this country out of the slough of despond," and then we will come here and betray them, as we have done over and over again in many cases so far as our pledged word is concerned.

I hope, Mr. President, that my friend from Iowa [Mr. BROOKHART] will not go out as the farmers' friend next fall when he is a candidate for reelection and still claim to be his friend when he has voted a 2½-cent a gallon tax on every farmer and citizen of his State, not for the use of the Government, but for the benefit of the 20 large oil companies, which at this hour have in their pipe lines a year's supply of oil without the necessity of buying a gill. And the next time he gives the railroads what, in many cases, is coming to them, I hope he will not overlook his vote on the oil tax, if he intends to vote for it, which I doubt very much, for I can not conceive him doing it.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. TYDINGS. Yes; I yield.

Mr. BROOKHART. Am I to infer from the Senator's remarks that he is coming over to my side on the railroad question?

Mr. TYDINGS. I am coming over to the Senator's side a little, and I want to know if the Senator is still there when I get there. [Laughter on the floor and in the galleries.]

Mr. BROOKHART. I shall be there.

The VICE PRESIDENT. There must be no demonstrations in the galleries.

Mr. TYDINGS. I do not want to get there and find the Senator and Wall Street have gone out on a spree. [Laughter.]

Who are the users of this oil? The Navy alone will pay \$8,500,000 more a year for the oil which its ships use than it pays now. That amount is \$3,500,000 more than the Government will get out of such a tax, even taking the figures the Senator from Utah has shown in his written report.

The Post Office Department uses large quantities of fuel oil; so that the small amount we are supposed to get out of this so-called tariff for revenue purposes will be more than absorbed in increased expenses which the Government will be forced to bear, and every Senator here knows it.

Now, I will show how the large corporations are going to collect this \$486,000,000. I want the farmers of Iowa and Maryland and Nebraska and of every other State in the Union to know how the big oil companies are going to take this money out of their pockets. The big companies would be the chief beneficiaries of the proposed tariff and not the so-called independents, who produce less than one-half the country's crude oil. A score of the big companies own 90 per cent of the pipe lines; they own 73 per cent of the refining capacity; they own 85 per cent of the retail distributing facilities and practically all the storage facilities.

They have got a year's oil supply now in their pipe lines or in their production, and they do not have to buy a gill for a year. They can say to every independent producer who wants to sell his oil, "Take my price or wait one year before I buy a gill of it"; and in times like these no producer can wait more than 10 minutes to get the few dollars that the oil companies are going to pay.

The 20 large oil companies own 90 per cent of the 633,000,000 barrels of oil in storage at this hour. When this storage is reinventoried on a basis of 2½ cents a gallon increase on gasoline and one-half cent a gallon increase on fuel oil, we find an immediate profit to the 20 large oil companies of \$500,000,000 which the American consumers will pay this year, and not a dollar of which will find its way into the Treasury of the United States.

I desire to put in the RECORD at this point some comments upon the Tariff Commission's report on the cost of production of oil at home and abroad. It has been misrepresented on this floor over and over again. Therefore I ask to have inserted in my remarks the report of the Tariffs Commission, which does not show that the difference in the cost of production in this country and abroad is \$1.03 a barrel on oil generally, as has been claimed here over and over for it.

The VICE PRESIDENT. Without objection, the report will be printed in the RECORD.

The matter referred to is as follows:

COMMENTS UPON THE TARIFF COMMISSION'S REPORT ON COST OF PRODUCTION AT HOME AND ABROAD

Last year before the Senate Committee on Commerce the remarkable argument was presented that there was not necessarily any relation between the price of crude and gasoline. This statement has been assiduously peddled by propagandists, circulated broadly through the press, and presented to Congress committees with the obvious intent of disarming the public mind in relation to the inevitable increase in the cost of gasoline.

The Federal Trade Commission, the American Petroleum Institute, and other competent and disinterested organizations have repeatedly shown its falsity.

Until their appearances this year before the Finance Committee and the Ways and Means Committee, Mr. Franklin and his associates have repeatedly argued that the price of fuel oil was too low, and that the purpose of the bill was to increase the price at the well. These statements have now been discarded and both the Finance Committee and the Ways and Means Committee this year were informed that the proposed tax would not affect the price of fuel oil to the consumer.

Last year crude oil was as low as 10 cents a barrel at the well—this year it is ranging around \$1. A year ago Governor Murray of Oklahoma mobilized the militia to stop wasteful overproduction and proclaimed to the world that his ambition was to compel curtailment of production in the hope that oil would again sell at the well for \$1. Governor Murray has realized his ambition, not through the barriers afforded by an embargo or a protective tariff, but through the oil-fashioned method of applying a little common sense to the end that the laws of supply and demand be respected.

Having completely failed to reverse the laws of trade by the remarkable premise that there is no connection between the price of crude and gasoline the proponents of this measure are now attempting to use the recent report of the Tariff Commission to establish their contention that there is a differential in favor of imported oils of \$1.05 per barrel.

Any literate person could not knowingly make such mistakes as they have done. There is no such differential in favor of the importers. There is none at all. This phase of the controversy was discussed in considerable detail before the Finance Committee. It will be found in the testimony of Paul H. Harwood, pages 457-471 of the Finance Committee hearings:

"The Tariff Commission, in its report for the years 1927-1930, reports not a difference in cost of \$1.03 per barrel, as alleged by Mr. Franklin, but of 46 cents, on the basis of 'like or similar products' as required by the tariff act (p. 3), but calls attention to three disparities in its calculation to the disadvantage of the Venezuelan product, each of which would, when properly determined and taken into account, reduce this difference in cost.

"1. It admits that in figuring of cost to produce crude it has applied to the foreign oil the same rate of interest and depreciation as applied to the domestic crude. It admits (p. 59) an adjustment of interest charges would increase the cost of foreign crude 5 cents per barrel.

"Adjustment of depreciation, recognizing that foreign crude is produced in tropical climates where destruction is rapid, would add another 5 cents per barrel.

"These items, properly taken into account, would lower the difference of 46 cents per barrel to 36 cents per barrel.

"2. It calls attention (p. 2, last paragraph) to the fact that while actual bare cost of transportation has been used to calculate the cost of landing Venezuelan oil on Atlantic seaboard, 49 cents per barrel has been used in calculating cost of landing domestic crude oil here, this being an average, not of cost of pipeline transport, but of actual published pipe-line charges. Interstate Commerce Commission's reports show that for 1930, the last year covered by this report, the ratio of operating expenses, taxes, and 6 per cent interest to operating revenue is 60 per cent.

"3. In its figuring of comparative values of yields from the two crudes the commission admits that the value of the gas and fuel-oil yield out of Venezuelan crude is much below that of the higher quality gas and fuel-oil yields out of domestic crudes. (It



admits value of foreign yield is only 2.55 cents per gallon while domestic yield is worth 2.93 cents per gallon, a difference of 0.38 cent per gallon.) But it states that nevertheless it applied the higher domestic value to both crudes in calculation of total value of yields of both oils. The report states (p. 54):

"The significance of any overvaluation of the gas and fuel oils from foreign crude is evident from the fact that these oils constitute considerably over 30 gallons of the product obtained from each barrel of crude (42 gallons) \* \* \* there may be an overstatement of the value of the products from foreign crudes due to the method used, amounting to 10 to 15 cents per barrel, or even more.

"The overvaluation of gas and fuel-oil derivatives in each barrel of foreign crude might then amount to 15 cents per barrel, which, subtracted from the remaining 16.4 cents, practically wipes out the remaining apparent advantage for Venezuelan crude oil.

"Therefore the correct interpretation of the Tariff Commission's report for the year ending in 1930 is that there is no appreciable advantage in cost of Venezuelan crude, as compared with like or similar domestic products.

"The supplemental report of the commission to the Ways and Means Committee, covering year 1931, shows still lower domestic costs due to the development of the cheaper but highly valuable crude of east Texas, and that the average domestic delivered cost at Atlantic points, without adjustment for lowered pine-line rates, has fallen 22 cents per barrel, or from \$1.90, average for three years, to \$1.68 per barrel.

"Therefore, on the face of the two Tariff Commission's reports, there is no advantage in foreign crude costs; but on the contrary, domestic crudes are deliverable at Atlantic ports, value for value, at at least 20 cents a barrel under the foreign costs."

Mr. TYDINGS. Mr. President, I desire to put in the RECORD here a statement of the articles used by the farmer which are on the free list under the present protective tariff act of 1922:

Farm implements and machinery, building materials, fuels and lubricating oils, coal (anthracite and bituminous), coke, petroleum (crude); gasoline, kerosene, lubricating oil, composition fuel in which coal is the chief component material, fertilizer and fertilizer materials, and such articles.

I ask both parties, are you now going to take fuel oil and gasoline off the free list, after you have boasted all these years that you would not put a tariff on anything which was essential to the conduct of farming?

I desire to insert in the RECORD, to save time, some tables showing how an oil tariff will affect our foreign trade by taking the oil which is now coming into America and driving it in competition with the oil which we are exporting, so that if the imported oil is not sold here it will displace just that much American exported oil, and in the last analysis as much oil only will be sold from American wells as is now sold; so that the producer will not sell 1 gallon more than he now sells. I ask permission at this point to have these tables inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

#### HOW AN OIL TARIFF WILL AFFECT OUR FOREIGN TRADE

Our dwindling foreign commerce would be further injured. Venezuela and other countries trade their oil for American goods. If oil imports are excluded, this trade will go elsewhere. Further tariff reprisals from foreign countries would follow, like those provoked by the Hawley-Smoot tariff.

Exports of petroleum and its products in 1930 ranked third among major export groups, having a value of \$494,000,000, or 13 per cent of all exports. Gasoline exports made up \$250,640,000 of this total, an increase in volume, though a slightly smaller value than the year before.

Imports of all oils amounted to only 70 per cent of exports in quantity and 29 per cent in value. (Department of Commerce.)

Major oil companies operating in South America already are making or have made arrangements to divert production to European markets. European goods will be exchanged for this oil, to the detriment of American exporters.

The United States in 1930 imported crude oil and refined products valued at \$143,600,000, of which Venezuela furnished \$25,600,000, the Netherlands East Indies \$77,500,000 (South American oil), Colombia \$19,800,000, and Mexico \$9,800,000, a total of \$132,700,000. (Tariff Commission Rept. 30, 1931, p. 113.)

In turn we sold to those countries in 1930:

Venezuela	\$35,200,000
Netherlands East Indies	36,000,000
Colombia	24,600,000
Mexico	112,600,000

This is a total of \$208,400,000

LXXV—678

The export business of the United States in petroleum and its products would be jeopardized by the tariff, and the same is true for coal, lumber, and copper.

The balance of exports over imports for these commodities in 1931 was (Journal of Commerce, May 6, 1932):

Petroleum and products	\$177,758,000
Coal	54,984,000
Lumber, rough and sawed	23,820,000
Copper	6,003,000
Coke	3,494,000

Recent figures from the Department of Commerce show the extent of trade with those countries most affected by an oil tariff:

VENEZUELA			
	Total United States imports		Total United States exports
1930	\$36,868,010		\$32,067,369
1931	26,844,756		15,645,112

	1930		1931	
United States imports of crude petroleum	Barrels	\$24,519,138	Barrels	\$15,633,220
	25,299,349		21,121,744	

COLOMBIA			
	Total United States imports		Total United States exports
1930	\$97,138,947		\$25,130,463
1931	75,480,444		16,052,349

	1930		1931	
United States imports of crude petroleum	Barrels	\$19,859,745	Barrels	\$12,509,007
	14,204,000		12,329,017	

MEXICO			
	Total United States imports		Total United States exports
1930	\$80,293,493		\$116,135,365
1931	47,610,620		52,365,390

	1930		1931	
United States imports of—	Barrels	\$8,231,681	Barrels	\$6,061,752
Crude petroleum	10,093,333		8,207,073	
Petroleum, topped, including fuel oil	1,619,651	1,103,490	1,310,025	672,244

PERU			
	Total United States imports		Total United States exports
1930	\$21,284,283		\$15,720,481
1931	8,973,868		7,935,075

	1930		1931	
United States imports of crude petroleum	Barrels	\$2,877,770	Barrels	\$490,927
	1,281,010		224,541	

Mr. TYDINGS. I showed yesterday how this tariff would affect road building, which the farmer needs more than anything else. He is already taxed for a lot of road funds and for the State highways. It is proposed in this bill to increase the cost of the asphalt and the oils used in road building, so that he is going to get less for his road money than he has gotten heretofore. As that has already been inserted in the RECORD, I do not think I need put it in again.

I also want to put in the RECORD some quotations from the Federal Oil Conservation Board under the general heading, "Shall We Abandon Our Long-Standing Conservation Policy?" so ably expressed, so forcibly expressed, and so logically



expressed by the senior Senator from South Dakota [Mr. NORBECK] yesterday; also, some quotations from President Coolidge. There was a day when the mention of that name was an open sesame through which the Senator from Utah [Mr. SMOOT] would go as into a haven, where all cares were expelled and only prosperity resided.

I ask permission to have these short quotations, and so forth, inserted in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

#### SHALL WE ABANDON OUR LONG-STANDING CONSERVATION POLICY?

Since the war successive administrations have interested themselves in insuring for this country an adequate supply of oil for future needs. America produces and consumes, and has for many years, about two-thirds of the world's oil, although its known reserves are only about 18 per cent of the world's total.

The uncontrolled exploitation of an irreplaceable and essential natural resource several years ago brought demands for conservation, to be accomplished in two ways: (1) Control and restriction of domestic production and (2) acquisition and development of foreign sources of oil under American control.

American companies which had developed foreign fields supplied the Allies with the oil needed for victory in the World War. Again in 1920-21 foreign oil supplies tided the country over a period of shortage.

The country after the war realized the growing importance of oil in national defense, industry, and world-trade competition. The automotive industry was expanding, bringing increased demands for gasoline. Consumption was increasing much more rapidly than production and the exhaustion of domestic supplies was foreseen in the not distant future. This country had been slow to realize the necessity of supplementing its resources from outside, while other countries, notably Britain, had obtained extensive and valuable concessions throughout the world.

President Coolidge in 1924 set up a Federal Oil Conservation Board, with the Secretaries of War, Navy, Interior, and Commerce as members, to consider the problem of maintaining adequate oil supplies.

"It is even probable that the supremacy of nations may be determined by the possession of available petroleum and its products," he said at that time.

The board in its first report said:

"While the production of oil upon our own territory is obviously of first importance, yet in failure of adequate supplies the imports of oil are of vast amount. \* \* \* The fields of Mexico and South America are of large yield and much promising geologic oil structure is as yet undrilled. That our companies should vigorously acquire and explore such fields is of first importance, not only as a source of future supply but supply under control of our own citizens. Our experience with the exploitation of our consumers by foreign-controlled sources of rubber, nitrate, potash, and other raw materials should be sufficient warning as to what we may expect if we shall become dependent upon foreign nations for our oil supplies."

Each subsequent report of the conservation board has reiterated this conviction. In 1929 we find this:

"The United States is exhausting its petroleum resources at a dangerous rate. \* \* \* The depletion rate of our resources can be brought more into accord with that of foreign resources only in one way—by importing a greater quantity of crude petroleum. The present imports of Mexican and South American crude oil come largely from American operators, and, while not obtained from United States oil sands, they are the product of American engineering and enterprise. Cooperation in the development of foreign oil fields, through technical assistance and the further investment of American capital, would seem to be a logical conservation measure."

The Bureau of Mines in 1931 reported through the Secretary of the Interior to the Senate Commerce Committee:

"Foreign crude which is being imported into the United States is predominantly the output of American-owned and operated companies."

"\* \* \* These American companies consistently receive the assistance of the United States Government in their efforts to explore and develop oil lands in foreign countries \* \* \*"

"Having thus encouraged American oil companies to develop foreign oil production, in order that other nations would not control an undue share of the world's oil resources, it might be considered that there has been established an implied obligation to continue in the assistance of American companies engaged in foreign oil production, and that the restriction or refusal of admission to the United States of the oil so produced would be contrary to the encouragement which these companies have received while engaged in foreign oil exploration and development work."

This was in accord with the national policy which President Coolidge had defined in a public address in New York in April four years ago:

"Our country consumes vast quantities of oil and gasoline in its use of automobiles, gas engines, and oil-burning furnaces. If these products are to be kept within a reasonable price, which is

very important to a great body of our citizens, our people who go abroad to develop and to increase supply ought to have the encouragement and support of our Government. The person and property of a citizen are a part of the general domain, even when abroad."

The importance attached to the acquisition of foreign oil lands by the State Department was shown by diplomatic correspondence after the war. There was a protracted and at times almost belligerent exchange of notes with Great Britain over the policy of that Government in attempting to exclude nationals of other countries from oil lands in domain under British control, and to secure for herself alone the right to exploit lands in mandated territories. There were also diplomatic conflicts in Central and South America over concessions; the State Department stood firmly in opposition to Mexican land laws, which it was held threatened American oil developments with confiscation.

Senator KEY PITTMAN in 1920 went so far as to propose a Government-owned oil corporation which would enter competition with the British and others. The British then were boasting that they already had acquired a third or a half of the world's oil lands and that the United States was permanently at a disadvantage.

Last year a tariff on oil was opposed by members of the Senate Finance Committee and Secretary Wilbur, who favored free entry as a means of conservation. Wilbur was quoted as saying:

"In the future the country with the oil will dominate civilization. In it will be centered the wealth. America must conserve her supply. If we waste our oil reserves now we will pay foreign countries through the nose for every barrel we import later. If I were landlord of this country I would see that we used as much imported oil as possible and let the other fellow waste his reserves."

During the last three years there has been an apparent plethora of oil, due to overexpansion and uncontrolled output and not to imports, which have comprised only 10 per cent of the total supply. Oklahoma, Texas, California, Kansas, and other States have intervened to check this overproduction, and in Oklahoma and Texas the fields were brought under control only by the use of military force.

The demoralization of the oil industry in this country, in fact, was largely brought about by the riotous exploitation of the fabulously rich east Texas field in 1930-31. The Oil and Gas Journal for January 28, 1932 (p. 56) captions a leading article:

"East Texas depressed whole industry—production of crude oil in United States last year held down everywhere else by continued proration."

The voluntary committee on petroleum economics reported to the Federal Conservation Board last year that curtailment was "in the nature of an emergency measure and should not be expected to provide a cure for the fundamental economic maladjustments existing in the petroleum industry." It added that the industry is overcapitalized and overdeveloped and "rests upon an unsound method of offset drilling."

Thus Congress is asked, through an embargo tariff, to put the petroleum industry on its feet and to make the public pay for the errors and excesses which it has not been able to correct for itself. It is asked to become party to the more rapid exhaustion of dwindling reserves and upset a wise and well-established national policy of long standing.

It is interesting to note how American companies operating abroad have replied to appeals for restricting output. During the years 1930-31 eastern production declined 10% per cent. Mid-continent increased 2½ per cent; Gulf coast declined 17½ per cent; Rocky Mountain 13 per cent; California 17 per cent—and imports of all oils were curtailed by 19 per cent. (Bureau of Mines figures.) The mid-continent field, whence comes the most voracious demands for a tariff, actually increased its output.

Consolidated for the country these figures show:

Year	Domestic production	Percentage decrease under preceding year	Percentage decrease under 1929	Imports	Percentage decrease under preceding year	Percentage decrease under 1929
1929	1,007,323,000			108,565,000		
1930	898,011,000	10.85	10.85	106,618,000	2.71	2.71
1931	850,261,000	5.32	15.59	86,082,000	18.50	20.71

Mr. TYDINGS. Now, Mr. President, much to the surprise of everybody, so far as I am concerned, we are going to vote. I just want to say this in conclusion:

When this vote is taken a motion to reconsider is going to be made, no matter which side wins; and, after we have decided it, we are going to debate at a later date all over again whether or not we are going to keep in the bill the policy which we will shortly adopt. There are going to be amendments offered; and I now ask permission to offer 500 amendments.

Mr. SMOOT. Of course, the Senator—

The VICE PRESIDENT. The Senator does not need to have permission.



Mr. TYDINGS. I am asking whether I have to or not.

Mr. SMOOT. I object.

Mr. TYDINGS. I ask that they be printed and lie on the table, and that, if copper, lumber, coal, and oil are to receive consideration, these items, too, receive consideration; although I am frank to confess that I am willing to let my State's tariff needs, either higher or lower, go by the board and pass this tax bill now and reassure the country. That is my preference.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee, on which the yeas and nays have been ordered.

Mr. TYDINGS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Copeland	Hawes	Robinson, Ark.
Austin	Costigan	Hayden	Robinson, Ind.
Bailey	Couzens	Hebert	Schall
Bankhead	Cutting	Howell	Sheppard
Barbour	Davis	Hull	Shortridge
Bingham	Dickinson	Johnson	Smith
Blaine	Dill	Jones	Smoot
Borah	Fess	Kean	Thomas, Idaho
Bratton	Fletcher	Lewis	Thomas, Okla.
Brookhart	Frazier	Logan	Townsend
Broussard	George	Long	Trammell
Bulkeley	Glass	McGill	Tydings
Bulow	Glenn	McNary	Vandenberg
Capper	Goldsborough	Metcalf	Walcott
Caraway	Gore	Neely	Walsh, Mass.
Carey	Hale	Norbeck	Watson
Cohen	Harrison	Norris	Wheeler
Connally	Hastings	Nye	White
Coolidge	Hatfield	Oddie	

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of the Senate to a request about to be submitted and will take the privilege of making a brief statement before submitting it.

It is manifest that a large number of Senators feel that tariff items should not be included in this bill. The course of the debate, in so far as it has proceeded, indicates that it may be indefinitely prolonged and the passage of the revenue bill deferred to the detriment of the country.

In the hope that the request I am about to make may tend to clarify the atmosphere and to bring about a prompt conclusion, I ask unanimous consent that it be in order to make the motion and that the Senate proceed without further debate to vote upon a motion to strike from the bill all tariff items.

Mr. LONG. Mr. President, I object.

The VICE PRESIDENT. Objection is made.

Mr. GLENN. Mr. President, appreciating, I believe, the great and extreme importance of the matter which is now before the Senate, I have endeavored to approach it with an impartial and an unbiased and open mind, and have listened with attention and interest to a very large proportion of the debate upon the subject.

Mr. President, I come from a State in which great as it is and situated as it is, every interest upon every side of these items which are now under consideration is represented. We have in the State of Illinois, from which I come, the greatest bituminous-coal region in all the world. There the miners and operators have been in distress, not for months, but for years, and I know something of the misery, the poverty, the want, and the care which have confronted all those engaged as operators or as laborers in that once great industry.

We have in Illinois oil fields of some consequence and moment. While we do not have lumber interests or forests in our State, or copper mines in our State, there are great financial institutions centered in Chicago and in the other large cities of our Commonwealth in which large holdings, and the ownership of copper mines and lumber companies, are centered. We also have within the State more than seven and a half million of the ordinary, common people, who will be affected by the action of this body.

I have looked at this situation as carefully and as intelligently as I have been able to, and I have looked about the country, and have seen this critical time in America. Nothing can parallel it in its extremity, in the terrific importance of events, and in the crisis which confronts us—nothing, at least, since the dark days of the War between the States.

Everyone who is a student of affairs knows that even in the direst times of the World War America was in no such crisis as she is in to-day. I say, as was said by the Senator from Maryland [Mr. TYDINGS], that every man in this body should be big enough and brave enough and strong enough to rise above sectional and State lines, and think, for once, to-day, only of his Nation, and the people, wherever they be, in every section of our land.

Parties mean nothing in this crisis; and I am glad that there is in America a man so courageous and so intelligent and so wise as the leader of the Democratic Party, the last candidate of the Democratic Party for the Presidency of the United States, former Governor Smith, of New York, who, by his great speech within the last few days, has reared himself to a point in the esteem of sound-thinking Americans which is second almost to that of no man in the Republic, within or out of public office; a man big enough and brave enough and unselfish enough to say to the American people the things which his brain and his heart led him to believe were for the best interests of America. We here should follow his example. We should disregard political and selfish ends. What honor is there to any of us if we cast our votes to-day upon this matter, so vital to our country, influenced by partisan or selfish political purposes, or for political advantage?

Much has been said about those upon whom should rest the burden of the imposition of these tariff rates in this bill, if they are finally inserted in the bill; and, strange to say, the whole debate has proceeded upon the theory, almost unchallenged, that we are asked to do a thing here which, when it goes back to the country and the country has reflected upon it, will be looked upon, not as an honor to its sponsors but as a disgrace and a shame to those who fathered it. Upon one side of the aisle and then the other the question is advanced as to which party shall bear most of the burden of the shame which will come upon us if we insert into this revenue bill these tariff items.

I approach this matter as one who voted for a tariff on oil when it was proposed during the consideration of the last tariff bill enacted. I thought the oil people made a good case. I listened to the arguments of the distinguished Senator from Oklahoma [Mr. THOMAS], and he convinced me that they were entitled to a tariff on oil in that tariff bill. I began voting with him, I think, at a dollar a barrel, voted with him then at 80 cents, then at 60 cents, and on down, five or six times, until it was apparent that no tariff upon oil would be inserted in the bill. Then, and only then, when the case was hopeless, did I quit voting for a tariff upon oil. So I say I do not approach the subject as one biased in mind.

I have come to the conclusion, Mr. President, that the country demands and requires now—not months from now, but soon—the passage of this revenue bill. With the whole country tottering on the brink of a great and bottomless precipice, we need to attempt to balance the Budget, to sustain the financial credit of the country, to protect us from within and from without.

We are confronted here with a situation more serious because we have neglected in the Congress of the United States our first imperative duty, which was to cut drastically the expenditures of the Federal Government. Everybody else has been cutting expenses. All lines of industry, all lines—mercantile, manufacturing, transportation, finance, every line of endeavor, except the operation of our governments, local, State, and Federal—have been cutting expenses. But we sit here idly, refusing this item and the other item of economy, and, after the whole program has been argued day after day and week after week, we will submit to the people of the country, the taxpayers of the country, a most pitiful and puny accomplishment in the way of economy.



We talk about mergers and consolidations of the departments of the Government when we should be talking about cutting them off, abolishing them, curtailing and preventing the interference of Federal and State officials in private business enterprise.

The great and growing army of Federal employees and State employees, all functioning at the expense of the overburdened, the almost destroyed taxpayers, must be stopped. The time will come—it will not come at this session, but it will come—when we will return to Illinois, to California, to Maine, to the States of the South, and all over the country, and meet the taxpayers, our constituents, face to face, and learn of their disasters, of their sorrows, of their bankruptcies, and we will come back here then—those of us who are allowed to return to Washington—chastened in spirit, not in the same attitude of mind we are in now, but fresh from the people who pay the taxes, bankrupt and homeless, hungry and starving. Then, and only then, I predict, will the American Congress do that which is so plainly its imperative and pressing duty, cut off these expenses, abolish commissions, bureaus, and the other activities which we can abolish, and go back to the primary functions of the Federal Government. There will then be some hope in America for industry and for business and for the individual.

We are not going to do that now; it can not be accomplished, because when one item comes up, while everybody is for the general theory of great economy—all are for it—if we touch an item people spring up, as has been said, like locusts—yes, like mushrooms—from every section of the land with arguments as to why that item should be preserved in the appropriation bill. We have to go back to our people. We will be back here in December, and there will be a different story then.

I said two months ago in this body that I believed that the soundest thing and the most popular thing the President of the United States could do would be to send the word out to his followers in this land and in the Congress that drastic and severe reductions must be made forthwith in the expenditures of the Federal Government, and I am convinced that there would have been great effect in the Congress. But it is coming next December or next January. In the meantime we must go on and raise the revenue to run this Government, and, as has been said here, there is not very much time before us if it is to be done before the end of the fiscal year.

Think of it a deficit of \$3,000,000,000; growing, growing, growing every day, expenses not reduced, but receipts reduced, shrinking, diminishing every hour of every day.

Talk about Nero sitting by idly and fiddling while Rome burned! We have in the American Congress not a fiddler but a jazz band performing while America is burning.

I sat here the other day, as we all did, and heard the spirited argument for and against a tax upon beer, and the technical and interesting and invigorating descriptions of the effects which beverages of certain alcoholic contents would have. We saw that proposal voted down in this body at a time when America is needing money as she never did before by a vote of almost 3 to 1, and within a few moments, practically without discussion, we saw placed upon wort, out of which nothing can be made except intoxicating beer, a heavy and substantial tax, Senators on both sides of the aisle, Democrats and Republicans, wet and dry, raising their voices in unison when the question was put, and voting "aye" unanimously. I say there is no consistency in that situation. The time will have to come when this question will be squarely and courageously met. I believe, after all the discussion in the House on the proposed sales tax—I happened to be over there when the vote was taken—that it is coming soon.

I may be wrong, of course, but I think we should go back; and I am not so sure but what we will return before this bill is finally passed to reasonable income taxes, reasonable inheritance and gift taxes, reasonable excess-profits taxes—if we ever have any profits again—and that we will join with those a fair and reasonable sales tax, a thing which will not then be an unreasonable burden upon anybody in the coun-

try and from which we can receive the necessary revenue to operate the Government without destroying and crushing any of our businesses, our industries, or our individual citizens.

I know what will happen here. Why is it? What argument can be advanced which says that we will open this revenue measure and make a tariff measure out of it? We will revise the tariff, but we will revise it only upon four or five items. In my judgment, there is no intellectual honesty in such a proposal. I mean that it is scarcely fair to say to every industry in the country except four or five that "We will revise the tariff upon those four or five ailing industries; but while you need it as badly as they do, we will refuse you even consideration." We can not do those things in America. We have coal and oil in Illinois, of course, and these other things, but what argument can I advance to my people to justify a vote to revise the tariff on oil and lumber and coal and copper but deny them the opportunity to be heard on their other interests? It is not fair; it is not right; it is not just.

There are many industries, not to be counted upon the four fingers of one hand, which need help. We can not count them upon the fingers on all the hands in the Senate. They are in just as desperate condition as are coal and oil and lumber and copper. There is no controversy about it. The Senator from Iowa [Mr. BROOKHART], with whom I sometimes disagree, is going to offer an amendment to protect the growers of corn through a tariff upon blackstrap molasses. Have not the corn growers of my State, with their farms being sold out, their homes foreclosed, their stock carried away by the sheriff, the same right to be considered here as has the operator of a copper mine or the operator of a coal mine or the owner of the other favored industries which are to be considered here? What can I say to the farmers of my State if they ask me, "Why did you vote for these four items and against all others? Why did you penalize me?" What honest thing can I say to them? I know of no reply that I can make.

Logrolling? It is said there is logrolling. I am not shocked or startled at that. I do not doubt that there was much of it. The distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] has referred to logrolling, and I think if there is an able lumberjack in this whole body it is the distinguished senior Senator from Wisconsin, so I assume he spoke whereof he knows. Perhaps that is all right. I am not complaining about it. I say we can not do these things and justify our action to the people. I fear that we can not open up this revenue bill and make a tariff bill out of it and consider item after item after item, scores and scores of them, and finish here before the beginning of the next regular session of Congress. It took 16 months to consider the last tariff bill. Why should we believe it would take any less time in the consideration of the matter now except that the next session comes in December?

I am humble in my opinion and not trying to impress it upon anyone except in the ordinary and reasonable way, but I think we should proceed now to carry on the measure as a revenue measure, to strike out all the amendments pertaining to the tariff, to go on with the revenue measure as rapidly as possible, and let the country know that pretty soon they will have a tax bill of some kind, so they can provide accordingly. That is my judgment as to what should be done. We are worrying about getting away for the conventions. I think it would be a ludicrous thing for either party, first the Republican Party and then the Democratic Party, their Members here in Congress, to adjourn with 10,000,000 people in want, with industry and finance and all our interests paralyzed, to desert the people here, to cease our efforts at least to solve these problems, and go to Chicago and write lengthy and glowing and glorious laudatory planks in the platforms of our efforts to save the common people and our friends in America. Let us stay here until this revenue bill is enacted, until the appropriation bills are enacted, until emergency relief measures are provided, and then, Republicans and Democrats alike, we can proceed home and meet our people fairly and squarely with



the consciousness of having at least attempted to serve our people and do our duty.

Mr. GORE. Mr. President, I shall be glad to yield at any moment for a roll call on the pending amendment. I will yield at any moment for a unanimous-consent agreement to vote on all tariff amendments to the bill, to vote on all tariff amendments that may be proposed, to vote on all tariff items, without debate and without adjournment.

Mr. President, I do not agree with those who think that the President of the United States should intervene in this tariff controversy. There are some Senators who insist that the President ought to intervene and that he ought to intervene on the side of the Standard Oil Co., that he ought to intervene against the people of the United States. Sir, I am not the keeper of the king's conscience. The President of the United States has a constitutional right to submit in writing his recommendations concerning legislation to the Congress. Any President of any party who goes farther than that, who violates the spirit and the form of our institutions, separated into the legislative, executive, and judicial departments, any President who undertakes to exercise his power and his prestige, any President who undertakes to exert pressure upon the Congress of the United States, either to enact or to defeat legislation, ought to be impeached.

Mr. President, I shall not undertake to decide whether the tariff duties in this bill are revenue rates or protective rates. Many protective rates raise more or less revenue. Many revenue rates yield more or less protection. I do not intend to discuss that point. The Democratic convention in Oklahoma declared in favor of a tariff on oil. That plank was inserted in our platform without my contrivance, my connivance, or my consent. I accepted it, however, as an imperative mandate, and I pledged myself to support that declaration in good faith. I have attempted to keep the faith. I am not a protectionist. I do not profess to be; I do not pretend to be. I made that statement without reserve in the presence of a convention of the independent oil producers of the United States. I am obeying the behest of my master; I am acting rather as a delegate than as a representative.

It happens that my valued friend from Maryland [Mr. TYDINGS] represents a great Commonwealth, in which is situated the Pan American Refining Co. It happens that that company has large concessions in Venezuela, is one of the largest oil producers in Venezuela, is one of the largest oil importers into the United States, and that its imported crude oil is refined in the State of Maryland. As I am, so is the Senator from Maryland, representing his constituents, as he has the right to do. I only question his right to identify the interests of the Pan American Petroleum Co. with the general welfare of all the people of the United States.

I agree with those who insist that we should balance the Budget. That I regard as our immediate duty. That I regard as our supreme duty. I desire to expedite the discharge of that duty.

Mr. President, this tariff controversy can not be charged to the Senate of the United States; neither can it be charged to the Finance Committee of the Senate. This quarrel is not of our choosing. Under the Constitution of the United States the House of Representatives is vested with the power to originate all revenue measures. That power was vested in the House, not in the Senate; the House represents the people in this country and the purse strings were for that reason placed in the hands of the House. The House of Representatives, in the discharge of its constitutional duty, inserted in the pending measure a tariff on oil and a tariff on coal. The amendments incorporating those items were adopted by an overwhelming majority of the House. The House laid this measure on the doorsteps of the Senate.

Senators who are espousing speed, I think, are courting delay if they hurl defiance at the House of Representatives and eliminate coal and oil from this measure. That will not stop a tariff controversy; that will start one with the House of Representatives. I do not believe the House would recede. I have never doubted that expedition in this crisis recommends acquiescence at least in the tariff items inserted in this measure by the House. The Senate committee, after

deliberate consideration, inserted two other tariff items. I do not doubt that expedition at least recommends the acceptance of those items.

Mr. President, I think that entirely too much emphasis has been laid upon the fact that these are tariff items inserted in a revenue measure. That point has been insisted upon as if, indeed, it were fundamental, as if there were something in the nature of things which made it repugnant to include tariff items and revenue items in one and the same measure. I think that is a false emphasis. Mr. President, our entire income-tax system was originated in a tariff measure. The Underwood-Simmons measure, which was enacted in 1913, a tariff measure comprehending three or four thousand tariff items, included our first legislation imposing a tax upon incomes; the high and signal credit for that service belonged more to the Senator from Tennessee [Mr. HULL] than to any other Member of either House of Congress. I happened to be a member of the subcommittee of the Finance Committee which handled the income tax legislation in that measure. That provision was in the handwriting of the Senator from Tennessee; and I have joined his legion of admirers in rendering him tribute for that splendid service. I had no thought that he had violated any principle or any rule of taste or propriety in the insertion of an income tax in a tariff measure. It reminds me of the house fly that lit upon the dome of St. Peter's Cathedral, and, discovering a speck of mildew, it was so shocked, it was so horrified that it lost sight of the dazzling splendor of that gilded dome.

We should not pass this measure, it is contended, because it contains tariff items. Whence comes this supersensitive objection to a union which has been sanctioned, if not consecrated, in the legislative annals of this Congress?

In Lilliputia the fundamental issue between the political parties was the question as to whether an egg should be broken at the big end or at the little end. That controversy typifies this dispute about the inclusion of tariff items in a revenue measure.

No, Mr. President; whether or not tariff items shall be inserted in a revenue measure is not the issue here now joined. The issue is far deeper, is far more significant; the issue is shall this measure serve the Standard Oil Trust or shall it serve the independent oil producers of this country. That is the issue joined here to-day, whether Senators choose or not.

I shall not embark on a discussion of the economic effect of a protective tariff. The Senator from South Dakota [Mr. NORBECK] on yesterday made an impressive argument upon that subject and insisted that a protective tariff on oil would enhance the price of oil to the consumer. Can a protectionist be heard to make that argument? Mr. President, we live under a protective system; we live under a protective-tariff system. Why, then, should oil be an outcast? We are either living or dying under a protective-tariff administration. Can the argument be heard from the lips of a protectionist that a protective duty enhances the price of the article protected?

Mr. SMITH. Mr. President, will the Senator allow me to interrupt him?

Mr. GORE. I would rather not yield at this time, if the Senator pleases.

Mr. SMITH. Very well.

Mr. GORE. If that be a valid argument against any protective-tariff duty, then it is a valid argument against all protective-tariff duties. If I were a protectionist, as I am not, I would try to hold fast to the maxim: "If protection be a blessing, let everybody share it; if protection be a burden, let everybody bear it."

But I do not intend to embark upon that discussion. I can not underwrite the future; I can not underwrite the consequences of the pending legislation.

With it the independents may not survive. Without it they are almost certain to perish.

I do know that apart from that argument there are only four other arguments against the adoption of the proposed tariff on oil. First, the Standard Oil Co. of New Jersey;



second, the Standard Oil Co. of Indiana; third, the Gulf Oil Co.; and fourth, the Royal Dutch Oil Co. Those are the four arguments against this proposal, and, whether we would or not, we must choose this day whether we will serve God or whether we will serve Baal; we must choose which we will serve.

Mr. President, those familiar with the economic and legislative history of this country know that it required a generation to secure the enactment of laws to restrain the power of the trusts and monopolies in this country. The Standard Oil Co. had its genesis about the year 1870. The South Improvement Co. was organized on the 2d of January, 1872. That was the predecessor of the Standard Oil Co.—the Standard Oil Trust. Even in that distant day it arranged with the Pennsylvania, the Erie, and the New York Central Railroads for a rebate of from 40 cents to \$3.07 a barrel on oil transported by any of those railway lines. Its record was one of defiance toward the rights of the people and toward the laws of the land. The officers and directors of that concern were indicted for blowing up the plant of their competitors; they were indicted for murder. But I do not mean to rifle the tomb or resurrect the ghost of the dead past.

The Standard Oil Co. was organized as a trust in 1882, and not until 1890 did public opinion prevail upon the Congress of the United States to enact legislation to curb this mighty monopoly and to safeguard the rights of the people against its tyranny and its oppression. The Standard Oil Trust was the actuating cause of the enactment of the Sherman antitrust law in the year 1890. It required the efforts and the exertions of another generation, through the assistance of the executive department prosecuting the Standard Oil Trust, finally to secure a decision of the Supreme Court of the United States adjudging that organization to be a monopoly and ordering its dissolution. It was dissolved on May 15, 1911. It resolved into its constituent parts some 30 different concerns having been adjudged to be participants in the trust.

I have sometimes wondered whether the Standard Oil Co. in that dissolution did not typify the fabled jointed snake. I know that southern Senators, at least, heard at their nurse's knee of the fabulous jointed snake. Strike it and it would fly to pieces; leave it alone and the several joints would seek each other out and reunite themselves and form the original serpent once again.

I sometimes wonder if that does not typify the history of the Standard Oil concerns of this country subsequent to the decision of the United States Supreme Court dissolving that organization. Its spirit, if not its body, still survives; and this statement is abundantly proven by the celebrated report submitted to the Senate by the late Robert M. La Follette, sr., of Wisconsin. Here, in this place which he honored, I honor his memory. He was the friend of the people. He was the enemy of their enemies. He held true to that character without variableness or the shadow of turning.

In this report he divided the oil interests of this country into two distinct factions, I may say. On the one hand he arrayed the Standard Oil Trust and its former subsidiaries, still allies and associates. On the other hand, and in express terms, he segregated the independent oil producers of this country; and, as all who knew him would expect, he expressed the profoundest solicitude for the preservation of the independent oil producers against the insidious and oppressive measures of the Standard Oil group. He insisted upon their preservation in behalf of the people.

Mr. President, I ask leave to insert in the RECORD several quotations from this La Follette report. There will be other insertions which I shall wish to make, and I should like to reserve the right now, so as not to interrupt myself or the Senate.

The PRESIDING OFFICER (Mr. WHEELER in the chair). Without objection, the matter referred to will be inserted in the RECORD.

The matter referred to is as follows:

#### SUGGESTED REMEDIES

It must be obvious from the facts set forth in this report that the business can not go on as at present organized and conducted.

It is essential to the life of the industry and vital to the public also that neither the public nor the small independent producers and refiners shall be left as at present to the mercy of a combination which advances or depresses prices as it pleases. Unless some means can be found to prevent the manipulation of prices by the large companies, and particularly the Standard group, it is as certain as any future event can be that gasoline prices in the near future will be so advanced as to put gasoline beyond the reach of the public generally as a motor fuel. Great as the capital invested in the business has become, important as the business is to thousands who are engaged in it and to other thousands who receive dividends from it, there is a still more important interest to be reckoned with, and that is the interest of the public. Petroleum and its products have become an absolute necessity.

It is to be remembered that the decree of the Supreme Court quoted in an early portion of this report forbids any "implied" contract or agreement, as well as an express one, to arbitrarily fix prices or to restrain trade. The facts developed in this investigation tend strongly to show the existence of such an agreement. A more complete investigation, we believe, will reveal additional evidence tending to support such a charge. If the facts warrant, after a searching investigation, all the parties to such agreement should be cited before the court for contempt of the decree made when the dissolution of the Standard Oil Trust was directed by the court.

If the independent operators in the oil industry could be given an equal opportunity with the Standard companies, there is strong reason to believe that they would be able to restore and maintain healthy competition. The Standard Oil companies are largely uneconomical organizations; most of them are burdened with parasitical subsidiaries which serve no good purpose, but add greatly to the expense of the companies. The attention of those companies has not been directed toward economy of management or conservation of crude oil and its products, but rather toward combinations and practices which would increase the volume of their business without regard to the public interest or the rights of others engaged in the business.

It is not expected that these remedies will immediately correct all the distressing conditions existing in the oil industry, but it is believed that they will go far toward accomplishing that purpose and do much to break the monopoly control of the business now existing. They will give the independent operators in the business an opportunity to compete on more nearly equal terms with the great Standard companies which now dominate the industry, and will protect the public from extortionate prices.

Respectfully submitted.

ROBERT M. LA FOLLETTE.  
CHAS. L. McNARY  
SMITH W. BROOKHART.  
E. D. SMITH.  
A. A. JONES.

Mr. GORE. Mr. President, when the United States Supreme Court decreed the dissolution of the Standard Oil Co. it was acclaimed throughout this country as a great triumph over the trusts. It was acclaimed as an emancipation of the people, as an emancipation of the common man from the tyranny of the trusts. It was said that after all popular government could assert its sovereignty and the sovereignty of the people over their allied enemies.

What happened? Private capital had been hesitant to enter into the oil industry in this country on account of the dominance of the Standard Oil monopoly. Private capital was willing to assume the risks of the industry—and the oil industry is nothing but a calculus of risks. It is founded upon risk, builded upon chance, erected upon the law of averages—the law of probabilities. The drilling of every oil well is a gamble, and yet it has grown to be the third largest industry in the United States.

When the Supreme Court dissolved the Standard Oil Trust private capital regarded that as an invitation on the part of its Government to enter into the oil industry, which theretofore had been a forbidden land. Private capital and private enterprise, remembering that the legislative department had enacted a law against trust and monopolies, remembering that the executive department had led a long fight in prosecution of trusts and monopolies, and remembering that the Supreme Court of the United States had sentenced this monopoly to death, embarked upon this hazardous enterprise.

Prior to the crash it is estimated that twelve billions of capital had been embarked in the oil business in this country. Some five or six billions of that was ventured by private enterprise, by concerns distinguished from the Standard Oil Co. and its survivors, invited by their Government,



guaranteed by their Government that they need not fear future molestation at the hands of this monopoly which had been subjected to judicial execution. So we have billions of capital invested in the oil business to-day that entered on the assurance of their Government that they would be protected and that are now relying upon their Government to make good that protection and that assurance.

Not only that, Mr. President, but about that time a crusade was begun in this country to preserve our natural resources, particularly our oil resources. They were narrowly limited. We were threatened with famine. The liberal and optimistic prophets said, "Our resources might serve us for a quarter of a century." The conservative and pessimistic prophets said that they would serve our needs for six limited years and that then we might expect to face a famine.

The oil industry, with a spirit of enterprise unexampled in the history of our race, set itself to devise new ways and means for the detection and the discovery of oil in order to supply the economic and the social needs of their threatened country. Science, guided by inventive genius, inspired and financed by private capital, led to new methods, known as the geophysical methods, the torsion balance, and other methods for detecting reservoirs of oil down under the ground. Prior to that time they were limited to the natural eye and to surface indications where nature had left proof of her frolics and had left signs of her buried treasures.

As a result of that campaign new methods were devised, new resources were discovered, and the oil industry itself has been overwhelmed by the hidden treasure which it has discovered and has impressed into the service of mankind. They searched the hidden places of nature, and made her render up not only her secrets but her treasures; and the oil industry is now struggling beneath the deluge raised by its own efforts to serve not itself alone but to serve society and to protect the race against a threatened famine.

The Senator from Maryland [Mr. TYDINGS], and I believe the Senator from Wisconsin [Mr. LA FOLLETTE], complain that overproduction is the real grief of the oil industry to-day.

Mr. President, overproduction may have commenced the grief of the oil industry back in 1929; and I wish to say in passing that the oil industry in this country was in the throes, was in the depths of a depression peculiar to itself, shared only by the farmers of this country, when the terrific panic burst upon us in October, 1929. From that day till this the oil industry has been struggling against a double trouble, if I may use the phrase. From May, 1929, until the crash in October, 1929, the stock of independent oil companies had declined from 20 to 30 per cent, while other stocks were soaring. The stock of the Standard Oil Co. of New Jersey had gone straight up, in company with the general advance in prices, to \$86 a share. When the crash came the independent oil producers and the farmers were the first and the worst to suffer. The stock of independent oil companies to-day is selling for about one-tenth of the peak price of 1929. The stock of the Standard Oil Co. of New Jersey is selling at about one-fourth of the peak price of 1929. This shows that the independent oil producers are unable to battle against heavy weather as is the Standard, the survivor of the ancient trust.

Mr. President, there are two characteristics of the oil business which render it impotent to protect itself in heavy weather as other industries may do for themselves.

A manufacturer can limit and control his output—can cease production entirely at will. The operator of an iron mine or a zinc mine can discontinue operations at will. That is not true of the oil industry. It is not the master of its own affairs.

There are two reasons, and I may tax the patience of the Senate to state them. Customs of the trade, in accordance with which the business is conducted, and in accordance with which alone the business can be conducted, is one. Oil companies do not own the land upon which they drill. The land is owned by the average citizen, generally by the farmer. The company pays a royalty to the owner of the land. These leases, commercial leases, generally run for five years,

with a stipulation that a well will be drilled during that period, and that, pending drilling operations, rentals will be paid upon the land. It sometimes happens that large bonuses are paid in addition to the rentals.

The oil company must drill a well on its lease in order to hold the lease, whether it would do so or not, or else throw up the lease, or let it expire. The oil operator may drill a well on such a lease knowing that it is to his disadvantage and to the disadvantage of the industry as a whole. The oil man often has no choice.

I refer now to the other characteristic peculiar to the oil business. The oil operator in his lease stipulates to protect his lease by drilling offset wells. Suppose the Senator from Nebraska [Mr. NORRIS], the author of the pending amendment, held an oil lease on 40 acres. There might be as many as a dozen leases adjoining or cornering on this 40-acre lease.

Oil is a fugitive substance. It is not in place, like metal deposits. If I should drill a well on my lease adjoining that of the Senator from Nebraska, should drill a well offsetting his lease, he would be compelled to drill an offset well or to forfeit his lease. Each of the dozen adjoining leases, if drilled by the lessee, would compel the Senator from Nebraska to drill an offset well whether he would or not. He would have to drill those wells in order to save his lease, and in order to save his oil, which flows hither and thither in the bowels of the earth.

The Senator might know that it was to his disadvantage to drill a well. He might know that the market was flooded with overproduction and that an additional well would aggravate the general distress; yet he would have no choice but to drill or to forfeit his lease. He would not be the master of his own conduct.

This accounts largely for the deluge of oil in the east Texas field. Small leases prevail largely in that unexampled oil field. Numerous wells were drilled on those small leases, and offset wells had to be drilled under the terms of the adjacent leases. That accounts in part for the deluge of which the Senator from Maryland and the Senator from Wisconsin complained.

The oil operators are not responsible for their plight. They have done their best under the circumstances, and I say that their efforts to save themselves stand unprecedented in the business annals of our country.

Mr. President, I agree with the philosophy of Thomas Jefferson, that the individual should not call upon the State for any service which the individual can render better than the State. I agree with the principle that the State should not call upon the General Government for any service which the State can render better than the General Government. Let each discharge the task and perform the duty for which it is best appointed.

Now, attend to the record of the independent oil producers of this country, wrestling with a threatened disaster. The independent oil producers of this country formed an organization, formed committees, and entered into proration agreements among themselves to curb and curtail their daily production from these flush wells and these flush fields. Not only that, Mr. President, but the independent oil producers were not able to protect themselves. They appealed to their States to render such service and such protection as their States could render. The States responded to those appeals. The States passed conservation laws. The States created commissions, authorized to sanction proration agreements, in an effort to protect this industry, and to enable it to survive.

Not only were the civil authorities invoked but, sir, the armed forces of the States were called into the oil fields to enforce those proration agreements and to save the lives of the independent oil producers which were threatened.

The individual oil operator has done his best. He has done all that he could to mitigate the evils which he could not prevent. He can do no more. The oil States have done their best. They can do no more. They have gone to the shores of the sea. They can not cross the sea. King Canute



said to the waves, "Thus far." The waves now say to the king, "Thus far."

They have turned their eyes upon the only authority which, under our Constitution, can render them further assistance, and can help them where their own power has failed, after the finest courage, the most extraordinary courage, has been exhibited.

Mr. President, how far did these oil producers go in their effort to protect themselves against this deluge and this disaster? In the Oklahoma City oil fields it costs \$100,000 to drill an oil well. The oil wells in that vicinity are a mile deep. Yet the owners of those wells have entered into an agreement, enforced by military authorities, to cut their daily production down to 2 per cent of their potential capacity.

At one time they cut their production down to 1 per cent of capacity. To-day the order is 2 per cent of their capacity, and they have not only agreed to that but they have insisted upon it, not alone as essential to their safety but as essential to their existence.

Mr. President, what does 2 per cent capacity mean? It means they will run seven days in the year. It means that they will run at full capacity 1 week in 52 weeks, that they will run 7 days at full capacity in 365 days. What railroad could run seven days in the year and survive? What bank could run seven days in the year and survive? What other industry could run seven days in the year and survive? No other industry could do it. No industry can do it. The oil industry itself can not survive if they must continue to do that. They can not now make their running expenses. They can not pay the lifting cost of the oil under these regulations.

They do not expect to survive under these limitations. They are waiting for rescue. They are calling for rescue. They are waiting until the lifeboat can come alongside their sinking craft.

There are two great interests in the oil business in this country, the Standard group and the independent group. The independent oil producers are here now pleading with the Congress for this legislation. They believe it is essential to their survival. They believe that it is essential to protect them against the maw of monopoly. They think it indispensable to protect themselves and to prevent the Oil Trust from again asserting dominion over the industry in this country and tyrannizing over the consumers.

Mr. President, the Senator from Maryland said the Oil Trust favored this legislation. Representatives of the Standard group of oil companies appeared before the Finance Committee protesting against this legislation. If the legislation would serve the interests of the Standard group, would they protest it? The independents think this measure will serve their interests and preserve their lives. I do not know.

Let us see what else the independents have done in an effort to preserve their lives. Under proration agreements they have cut domestic production down from the peak of August, 1929, more than 700,000 barrels a day. Under the proration agreements in 1930 they reduced the total production of oil in this country, as against 1929, by 109,000,000 barrels.

They made that sacrifice. They controlled themselves as far as they could and they reduced production 109,000,000 barrels. But what happened? The four great importing companies imported 105,000,000 barrels in that year. Just so far as the independents made their sacrifice and diminished the production in the domestic market, these four great importing concerns took advantage of their sacrifice.

In 1931 the oil producers in this country reduced production below 1929 by 146,000,000 barrels. They reduced the production in 1931 as against 1930 by 48,000,000 barrels, and the importers brought into this country 86,000,000 barrels. The independent oil producers could make their sacrifice, their States could go to their assistance, but neither oil operator nor State could meet these importers at the shore and say "Our home producers are sacrificing themselves on

the altar of their industry. You sit in and help them." That was not done.

The oil industry has been bearing either directly or indirectly more than its share of the burdens of state. The gasoline tax imposed by the several States aggregates more than five hundred millions a year. This tax has constructed our highways. If the oil business could be relieved of this burden; if it could be relieved of this one-half billion a year, the price could be reduced and the consumption would be increased—the independents might then be able to survive without raising the "Macedonian cry"—without invoking this relief legislation.

Mr. President, often it happens that a high tariff does afford shelter to a trust or to a monopoly by shielding it against foreign competition. If an agreement can be arrived at here in the domestic market, a monopoly can be formed and the people can be oppressed. But economic conditions sometimes modify the operation and the effect of economic policies and sometimes of economic laws themselves. It happens in this instance that a protective tariff would shield the independents against the surviving members of the trust. It happens that free trade in oil operates in favor of the monopoly and against the independents. Four large companies practically control the Venezuelan oil field and oil output, and they import practically all the oil brought into the United States from foreign fields. With this cheap oil produced in foreign lands they are able to hammer down the price of oil produced in this country by independent oil operators.

It shows what the organized power and resources of a dismembered monopoly can still do to manipulate, to dominate an economic situation. Adjudged an outlaw here in their own country, they have gone abroad and, like Captain Kidd or Lafitte, the Baratarian chief of old, they operate in some other land and prey upon the producers in their own country. When their machinations succeed, then the consumers will render tribute once again to this trust which has been reenthroned.

Mr. President, when this reenthroned trust has crushed the domestic independents, who will undertake to guarantee the American consumer against the oppressive prices of earlier days? These three concerns—I say three now, because the Standard of New Jersey is taking over the Pan American Petroleum from the Standard of Indiana. The Standard of New Jersey is one of the largest concession owners in Venezuela. The Pan American is one of the largest owners, now controlled by the Standard of Indiana, but the Standard of New Jersey is taking over the Pan American from the Standard of Indiana and is consolidating its interests with their own in the Republic of Venezuela.

How does the consumer fare in the land of the monopoly? Gasoline to-day is selling in Venezuela at 22 cents a gallon, and only a short time ago gasoline was selling in Venezuela at 30 cents a gallon, not including the tax of 8 cents a gallon. At what price is gasoline selling in Peru? It is selling at thirty-eight and a fraction cents a gallon, but recently it was more than 40 cents. At what price is gasoline selling in the United States of Colombia? Forty-seven cents a gallon. That is where these four concerns produce their oil. That is where the dissolved trust has been reenthroned again and the disjointed serpent has wrapped its coil around the unprotected consumer. That is what the consumer of this country may expect when the only competitors of the Standard have been destroyed and when the trust has been once again enthroned in this land of the free. The little finger of the trust will be found heavier than the loins of the independents.

Mr. President, I have here a circular sent out by a broker's concern in Chicago. I understand it is confidential. I hope Senators will treat it so. I send it to the desk to be read.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). Is there objection? The Chair hears none, and the clerk will read as requested.



The legislative clerk read as follows:

[Sales bulletin from Republic Sales Corporation]

#### THE OIL SITUATION

CHICAGO, ILL., March 13, 1931.

The time to push our Standard Oil Trust is now. Papers refer to the present situation as a "crisis in the oil business." Do not let yourself be disturbed by that. It is just when these cries do occur that Standard Oil gets the benefit of its dominating position.

We want you to bear in mind that the crisis is not for the Standard Oil Co., but rather for the independent producers and also for numerous of the good-sized concerns, the latter being concerns whose activities do not cover every angle of the oil business, such as is the case with the Standard Oil Co.

The so-called crisis is brought about by reason of the fact that for years the independents and those concerns who confine themselves to producing oil have gone hog wild in driving more wells and bringing in more oil than the world could consume. When these independents and other producers heretofore could not get a good market for their oil, they always turned for an outlet to Standard Oil Co., because of its millions of cash reserves and because of its storage facilities. Therefore, when the price got sufficiently low to interest the Standard Oil it would step into the market and buy, and later on as the market improved it would sell.

History is repeating itself, hence what they call the present crisis—that we are now going through—is a house-cleaning period when all small independents will have to stop bringing in more wells until the present stocks are consumed. That this so-called "crisis" will have little or no effect on Standard Oil is shown by the item in this morning's paper, which reads: "First quarter dividends of Standard Oil companies were near record level." A chart accompanying the article shows that the earnings of Standard Oil companies for the first quarter of the fiscal year 1931 equal those for the same period of 1929 and were but 7 per cent less than for the same period of 1930.

This, therefore, is the time to push our Standard Oil Trust and to make valuable friends while so doing.

Mr. GORE. Mr. President, the point in the circular is that in this period of distress, when the independent oil people are beaten down to their knees, now is the time for the Standard to profit by the calamities of the independents.

Now this is the Law of the Jungle—

As old and as true as the sky;

And the Wolf that shall keep it may prosper,

But the Wolf that shall break it must die.

That is the law of the jungle, and that is the ethics of the monopoly. That is their method of rendering just aid and of typifying the ministering of the Red Cross in the hour of agony. There was once another cross, and it was red with blood. I seek nothing but to mind the wolf back out of the sheep fold.

Mr. President, I have another article from the Wall Street Journal of December 19 last, which I send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

[From the Wall Street Journal, Saturday morning, December 19, 1931]

Gulf Oil Corporation of Pennsylvania is using its cash to buy up power companies at bargain prices. This explanation of the omission of the quarterly dividend of 37½ cents December 11 has been given by an official of the company. He said that while the omission was a difficult step to take, it will prove to have been the most desirable policy for stockholders from a long-range viewpoint. \* \* \* It is now shown that Gulf is not merely completing expansion starting in the past year; it is taking advantage of temporary demoralization of the oil industry to acquire distress properties which will be shown to be of considerable value in the future when overproduction will have been eradicated.

Mr. GORE. Mr. President, the Gulf Co. is administering the coup de grâce—that is, the blow to end the victim's agony. Murder committed in the name of mercy! They are taking advantage of the situation to buy distressed properties. The Gulf is one of the four large producers in Venezuela. The Gulf is one of the large importers from Venezuela. Can it be doubted that the Gulf is using its power, and its imports, to aggravate the distress, to speed the end of its intended victims? I repeat that the Standard group, including the Gulf, are opposed to this legislation, while the independent producers regard it as a refuge essential to their lives. I will have one or two paragraphs read from the Oil and Gas Journal to show that these large im-

porters from Venezuela—the Senator from Idaho may be startled, but marvelous to tell—have been in conference this week with the representatives of red Russia, if you please, looking to the formation of an entente, including Russia, that will embrace and girdle the globe.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

#### OIL LEADERS TRY TO INDUCE RUSSIAN DELEGATES TO LIMIT PETROLEUM EXPORTS

NEW YORK, May 9.—With the arrival here of J. B. Aug. Kessler, managing director of the Royal Dutch-Shell; William Fraser, deputy chairman of the Anglo-Persian Oil Co. (Ltd.); and Robert I. Watson, managing director of the Burmah Oil Co., and director of the Anglo-Persian Oil Co. and Shell Transport & Trading Co., a series of conferences on world oil problems, with particular reference to the marketing of soviet oil, will be launched. Leading American oil company executives will participate in these meetings, which will be informal in character.

Even in the event of the failure of the rank and file of the industry to cooperate in such a move, designed to harmonize American production with production in other world oil-producing countries, the major companies in this country would still be in position to make American cooperation largely effective through close control of their own operations.

Mr. GORE. Mr. President, it seems that this boia constrictor, which, after two generations, after more than half a century of incessant warfare, was unwound from around the American people, is again being revived; is again reforming itself, not only to establish and to assert its mastery over the United States but to assert and establish its mastery and its dominion over the globe itself. We are asked to-day to contribute to that process—to that consummation.

Mr. President, all that the Standard group want the Senate to do is nothing; all the Standard group want any Senator to do is nothing—all that they ask is to be let alone. When Colbert, the great French financier, asked the manufacturer what he could do to promote his industry, the manufacturer answered laissez nous faire—let us alone. All that the Standard Oil monopoly desires now is to be let alone; and when you stand still you serve the Standard Oil group; when you stand still, when you refuse to act, you give aid and comfort to the Standard Oil group.

Sir, it took affirmative action to secure the passage of the Sherman antitrust law; it took affirmative action to prosecute the Standard Oil monopoly in the courts of this country; it took affirmative action on the part of the Supreme Court of the United States to dissolve that omnipotent monopoly.

It will take affirmative action once again to prevent the return of that tyranny and if once reestablished the struggle of half a century must once again be waged in order to emancipate the suffering people of this country. Do nothing and you serve the Standard. If Baal be God serve him.

Senators have urged this argument—that our petroleum exports exceed our imports and that therefore a tariff duty would be ineffectual if not hurtful. Ordinarily I would agree with that reasoning and accept that conclusion but this situation is unique. Our imports consist almost entirely of crude petroleum. Our exports consist almost entirely of the refined products and by-products—gasoline, kerosene, and lubricating oil. The three large concerns which control the bulk of our imports also control the bulk of our exports. They are at once our chief importers and our chief exporters. Their business is organized, perhaps the best-organized industry on the globe. Their business is integrated indeed, the source of their power and dominance here in the domestic market is the fact that they are integrated. They own producing wells; they own pipelines; they own refineries; they own tank cars; they own filling stations; they own tank ships and they pretty much own "the earth and everything that is in it." It is worth mentioning, however, that during the last five or six weeks our daily imports have exceeded our daily exports by about 70,000 barrels a day.

There is one argument which I desire to address to the progressives on the other side of this Chamber. It is the



argument in regard to conservation. I believe there are three schools of thought in regard to conservation. With some it is a habit or attitude of mind; with others it is a conviction; and I believe with others conservation is a mere fad; but the question of conservation is involved in this tariff on oil.

Mr. President, there are 250,000 oil wells in this country producing 2 barrels a day or less. You say, "That is a trifle; why worry?" Each individual well is perhaps a trifle, but in this great war against monopoly these little oil wells constitute the infantry; the middling wells constitute the cavalry, and the flush wells constitute the artillery. These 250,000 wells produce a half million barrels a day. They constitute really the ballast of the business. Their output is worth nearly one-half million dollars a day. The capital invested in these wells might well be estimated at \$500,000,000. Will Senators say they are not concerned in this production? Will they say they are not concerned in the vast capital invested in these wells? To-day, Mr. President, these wells are not making expenses; they are not paying the lifting costs. They continue in the hope that better days are "just around the corner" and that if they can survive this crucifixion they may rise again from the dead.

That is not all. If the stripper wells, these baby wells, so to speak, are once abandoned, they are abandoned forever and a day. There are hundreds of millions, there are perhaps billions, of barrels of oil in the sands that are served by these diminutive wells, and once abandoned, these wells and all that vast treasure, instead of being conserved, instead of being impressed into the social and economic service of this country, will be lost forever, will be utter waste, will be irretrievable waste. I appeal to progressives in the name of conservation to save the lives of these struggling wells.

Mr. President, I know that Senators on this side of the Chamber shy at the word "protection." I share their principles and I will go farther and say I share their prejudices. I desire, however, to have read at this point an extract from a celebrated report of Thomas Jefferson, one of the most famous reports prepared while he was Secretary of State, on the subject of commerce and its restrictions.

The VICE PRESIDENT. Without objection, the Clerk will read as requested.

The legislative clerk read as follows:

[Extracts from The Writings of Thomas Jefferson, Vol. VI, pp. 480, 481, 483]

But should any nation, contrary to our wishes, suppose it may better find its advantage by continuing its system of prohibitions, duties, and regulations, it behooves us to protect our citizens, their commerce and navigation, by counter prohibitions, duties, and regulations also. Free commerce and navigation are not to be given in exchange for restrictions and vexations; nor are they likely to produce a relaxation of them. \* \* \*

Where a nation imposes high duties on our productions, or prohibits them altogether, it may be proper for us to do the same by theirs; first burdening or excluding those productions which they bring here in competition with our own of the same kind; selecting next such manufactures as we take from them in greatest quantity, and which at the same time we could the soonest furnish to ourselves or obtain from other countries; imposing on them duties lighter at first but heavier and heavier afterwards, as other channels of supply open. \* \* \*

It is true we must expect some inconvenience in practice from the establishment of discriminating duties. But in this, as in so many other cases, we are left to choose between two evils. These inconveniences are nothing when weighed against the loss of wealth and loss of force which will follow our perseverance in the plan of indiscriminate. When once it shall be perceived that we are either in the system or in the habit of giving equal advantages to those who extinguish our commerce and navigation by duties and prohibitions, as to those who treat both with liberality and justice, liberality and justice will be converted by all into duties and prohibitions. It is not to the moderation and justice of others we are to trust for fair and equal access to market with our productions, or for our due share in the transportation of them; but to our own means of independence and the firm will to use them.

Mr. GORE. Mr. President, Thomas Jefferson, whose memory I join others on this side in cherishing, said that the way to challenge the respect of other nations was to return blow for blow in wars of commerce and navigation. If other countries level prohibitions against us, we should retaliate with prohibitions; if other countries level high

protective-tariff duties against us, we should answer in kind and should impose high protective duties against the importation of their goods, wares, and merchandise.

That, sir, is the rule of conduct prescribed by the founder of the Democratic Party.

Let us bring this situation to the test prescribed by Mr. Jefferson.

The pending tariff item is one-half cent per gallon on imported petroleum. The House imposed a duty of 1 cent per gallon on imported petroleum. Of course, the only source of importation that concerns us is Venezuela. How does Venezuela, with her vast reservoir of oil, welcome oil shipped into her ports by the independent producers of this country? Venezuela to-day has a duty of 1½ cents a gallon on American oil imported into Venezuela. Why we have not imposed a countervailing duty I do not know.

How does Venezuela treat gasoline brought into her ports from the United States? To-day Venezuela has a tariff duty of 4½ cents a gallon on gasoline coming in from the independent refineries of the United States, and yet we must keep our gates ajar lest we offend the supersensitive feelings of some of our neighbors to the south!

I was interested in the very powerful address delivered on yesterday by the Senator from South Dakota [Mr. Norbeck]. But, Mr. President, Venezuela to-day has a tariff of \$2.66 a hundred pounds on wheat brought into her ports from the fields of South Dakota. Two dollars and sixty-six cents a hundred pounds, a tariff duty of \$1.80 a bushel must be paid before South Dakota wheat can enjoy the hospitality of our southern neighbor.

On corn the duty in Venezuela is more moderate—is only \$1.17 a hundred pounds—four times the quotation on yesterday; and the duty on wheat is three times the quotation on wheat in Chicago on yesterday. Do their gates stand ajar to accommodate the products brought from the fields of South Dakota?

I turn to my friends from the States where cotton was once king; but its crown has fallen from its brow, and its scepter has departed from its hand. What hospitality does Venezuela extend to cotton, and how would Thomas Jefferson reciprocate that treatment?

It is not consequential; but Venezuela to-day imposes on cotton coming in from Georgia and Mississippi a tariff amounting to \$13 a bale. What would Thomas Jefferson do? He would strike back. And what does the Senator from Georgia [Mr. GEORGE] propose—out of his high sense of chivalry that fears to offend his neighbor?

And yesterday the doors of the Senate swung ajar—raw head and bloody bones came to council, came to judgment. Peru has fulminated a threat against this affrighted Republic. She says that if this Congress is naughty she will retaliate and discipline the Congress of the United States by imposing a duty 300 per cent higher than her existing duties against imports from the United States of America.

Well, of course, I was duly terrified; and after investigating I can appreciate the multiplied calamities that will overwhelm this country if that sulphurous threat be carried into execution. But Peru now—she has such a long start on us—has a tariff on cotton to-day. Senators from the South lend me your ears: Peru has a tariff to-day on cotton imported from the United States amounting to \$33 a bale. Cotton to-day is selling for about \$27.50 a bale. Peru has a tariff of \$33 a bale on southern cotton; and she now threatens to raise it 300 per cent—threatens a supertariff of \$99, which would reach a summit of \$132 a bale.

Mr. GEORGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Georgia?

Mr. GORE. Yes; I do.

Mr. GEORGE. I should like to ask the Senator please to give to the Senate the increases made in the duties of Peru and Venezuela since the passage of the Smoot-Hawley Act.

Mr. GORE. Mr. President, I have not the schedule. In fact, I obtained these figures only to-day; and I am unable, therefore, to give the history of their ascent. I join the Senator, however, in commiserating the South and the cot-



ton producers of the South if Peru actually carries this threat into execution and imposes a tariff of \$132 a bale on our cotton. Oklahoma produces a million bales of cotton; and I am afraid that a tariff like that would obstruct and interfere with the importation of cotton from Oklahoma into Peru.

So, Mr. President, that threat, with all its violence, should not terrify us beyond self-restraint; and if the spirit of Thomas Jefferson should animate the Senate, Peru might have occasion to learn that other countries have weapons as well as she, and that other countries can strike blows in their own defense as well as she.

Mr. President, I apologize to the Senate for having detained it so long. I merely wish to repeat that it takes action to preserve the independent oil producers. It takes action to protect the American people. It takes action to shield the consumers of this country against the tyranny of the trust. Inaction is the ally of the monopoly. These independent oil producers, in good faith, acting upon the invitation of their country, embarked their capital and their enterprise in this indispensable business. Their success has been their own undoing. Now they are to be punished for their enterprise. Now they are to be penalized for their success. Now, are they to be crucified for their service? Are they to be pilloried between foreign monopoly upon the one hand and domestic monopoly upon the other? Are the independent oil producers now to be forsaken when their calamities have come upon them?

Mr. President, whether I have fought a good fight, others must judge. I hope none will deny that I have kept the faith.

[Extract from speech of Senator T. P. GORE delivered before Governors' Oil Relief Conference in Washington, D. C., January 16, 1931]

I have a report here, unanimously agreed to by your committee, and I am pleased to report that the agreement is unanimous, signed by Mr. Bullington, of Texas, and myself, among others. You will not find on Capitol Hill a more pronounced protectionist than my good Texas friend, Mr. Bullington. You will not find there a more pronounced antiprotectionist than myself. I do not pretend to believe in a protective tariff, yet I have signed this agreement. This ought to be a good omen. If Bullington and I can agree, there are no two people on earth or on Capitol Hill that ought to be obliged to disagree.

Let me say further that the Democratic State Platform of Oklahoma, upon which I was elected, declared that the Democracy of our State believed in placing agriculture and oil, the two leading industries of Oklahoma, upon a footing of economic equality. The platform declared against tariff discrimination which militated against oil and against agriculture. I think that declaration was justifiable. The platform also declared in favor of a tariff on oil.

Gentlemen, I was not obliged to retain the Democratic nomination and make the race on that platform—but I did. Upon that platform I won, and I feel bound to stand upon it and carry it out in good faith. That I intend to do.

[Extract from Democratic platform adopted at State convention at Tulsa, Okla., September 17, 1930]

We demand an immediate revision of the tariff downward, free from discrimination against the consumer as well as the producer. \* \* \* We favor placing oil and agriculture on a basis of economic equality with other industries in keeping with the time-honored Democratic principle of a tariff based on the cost of production at home and abroad.

Mr. WHEELER. Mr. President, I send to the desk a resolution, which I ask to have read by the clerk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be read.

The resolution (S. Res. 216) was read, as follows:

Whereas the officers and directors of the Standard Oil Co. of New Jersey and the Standard Oil Co. of California are reported to be seeking to consolidate these two companies into one organization, notwithstanding the decisions of the Supreme Court of the United States, and notwithstanding the provisions of the Sherman Antitrust Act: Now, therefore, be it

Resolved, That the Attorney General of the United States is requested to advise the Senate what, if any action, his department has taken or intends to take with a view to preventing the consolidation of the Standard Oil Co. of New Jersey and the Standard Oil Co. of California.

Mr. WHEELER. Mr. President, I assume that there will be no debate on this resolution; and, out of order, I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, until I have had a chance to talk with the Senator, I shall have to object.

The VICE PRESIDENT. The Senator from New Hampshire objects, and the resolution will go over under the rule.

The question is on the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kendrick	Shipstead
Austin	Dickinson	Keyes	Shortridge
Bailey	Dill	King	Smith
Bankhead	Fess	La Follette	Smoot
Barbour	Fletcher	Lewis	Steiwer
Barkley	Frazier	Logan	Stephens
Bingham	George	Long	Thomas, Idaho
Blaine	Glass	McGill	Thomas, Okla.
Bratton	Glenn	McNary	Townsend
Brookhart	Goldsborough	Metcalf	Trammell
Broussard	Gore	Morrison	Tydings
Bulkeley	Hale	Moses	Vandenberg
Bulow	Harrison	Neely	Wagner
Capper	Hastings	Norris	Walcott
Caraway	Hatfield	Nye	Walsh, Mass.
Carey	Hawes	Oddie	Walsh, Mont.
Cohen	Hayden	Pittman	Watson
Connally	Hebert	Reed	Wheeler
Coolidge	Hull	Robinson, Ark.	White
Copeland	Johnson	Robinson, Ind.	
Costigan	Jones	Schall	
Couzens	Kean	Sheppard	

The VICE PRESIDENT. Eighty-five Senators having answered to their names, there is a quorum present.

Mr. SHIPSTEAD. Mr. President, certainly by this time no one can deny that the four industries producing copper, lumber, oil, and coal are in a sad state. Certainly no one in the Senate would be willing to do anything but render assistance to those industries wherever that was possible.

I want to have the attention of Senators who have spoken so eloquently in behalf of these industries and have enumerated the various conditions which exist which make their situation so deplorable. I am not going to take the time of the Senate to enumerate the many other industries in the United States which are in the same condition described as that of the four industries. It would take too long for me to do so, because there are so many of them.

I find no fault with Senators who believe that a remedy is to be found in a higher tariff. If a remedy for the condition of these industries can be found in a higher tariff, then certainly a remedy can be found for the condition of the other industries of the country in a new tariff bill.

My personal opinion is that we can raise the tariffs as high as we please and the descending price level of the raw products will drop and drop and drop faster than we can raise the tariffs. We are in the grip now of an entirely different economic force than that with which we had to contend during the last half century. Assuming that a remedy is to be found through raising tariffs, why confine our action to the four industries producing these raw materials? I have not sought to make the pending bill a tariff bill; but if it is to be a tariff bill, it will be necessary for me to offer many amendments in behalf of other industries, if the assumption that tariffs are going to remedy the situation is found to be the correct assumption.

I need not mention the mining industry producing manganese ore, which is necessary for the manufacture of steel in the United States; or the paper pulp industry; or the great farming industry, the men engaged in which, in my opinion, have always paid about five times more than they ever got out of a tariff.

Here are four raw materials which the farmer must buy, and the Senate Finance Committee comes in with a proposal to put a tariff on those four materials, which would result in raising the prices of the commodities to every farmer in the United States. What is there in this bill to compensate the American farmer for the extra taxes levied through tariffs in the bill?

If this is to be made a tariff bill, and if we are to increase the prices of these products to the ultimate consumer, to the farmer, suppose we do levy, through these protective tariffs, an extra tax upon the farmer of \$5 a week. In self-defense



we shall have the necessity of offering some amendments to the bill to try to collect at least a few cents for every dollar that is collected through these increased tariffs.

Mr. President, I wish I could believe that the present economic situation could be remedied by tinkering with tariffs. In 1928, when a tax bill was before the Senate, I took occasion to present an amendment, including a comprehensive list of agricultural products asking for tariff protection. The Senate voted that amendment down on the ground that it was improper to inject tariff legislation into a tax bill.

At that time the Washington Post, in an editorial, accused those who defended that tariff amendment with having entered into a conspiracy for the purpose of defeating the tax bill and for the purpose of embarrassing the President. I will read from that editorial, which appeared on April 18, 1928:

The tax reduction bids fair to meet a political death at the present session of Congress. There are increasing signs that enemies of the administration intend to make certain that any revenue measure passed will be unacceptable to the President. The theory of the antiadministration strategy appears to be that the Republican Party will be weakened if they fail to bring about some popular schedule of taxation.

The latest proposal, sponsored by Senator SHIPSTEAD, of Minnesota, is evidently designed only as an embarrassment.

So a tariff amendment to a tax bill in 1928 was held by the Washington Post to be a conspiracy aimed at the objective of defeating the tax bill, and was also criticized by various Senators, who, on that occasion, took the floor and said it was an improper piece of legislation to offer to a tax bill. That amendment, as I said, embraced a comprehensive list of agricultural products asking for protection.

The two party conventions met in 1928 and pledged equality for agriculture, pledged that agriculture should be placed on a parity with industry in the economic picture of this country.

Both parties have been accused of not keeping faith. I do not like to accuse anyone of not keeping faith. There was only one of two ways in which agriculture could be placed on a parity with industry. One way was to lift agriculture up to the level enjoyed by industry, and the other was to pull industry down to the level of agriculture. The latter seems to have been the way pursued in order to bring on parity.

I find that Senators who voted at that time against that tariff amendment because they held it to be improper to place tariff legislation in a tax bill are now on the floor in this session of Congress advocating tariffs in a tax bill. I have the vote here, but it is not necessary to read the names.

The question is not whether or not this is a proper item to insert in a tax bill. The thing to be decided here of utmost importance is whether or not we are going to confine this bill to an internal tax bill or make it a tariff bill. If we make it a tariff bill, certainly Senators know that we will be here this summer.

Mr. GEORGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. SHIPSTEAD. I yield.

Mr. GEORGE. If it will not interrupt the Senator, I should like to say at this point that the important fact seems to have been entirely overlooked by some Senators who have spoken here and reminded the Senate that in previous tax bills or tariff bills items of one or the other character have frequently been placed. The important fact is that never before in the history of the Senate have we been faced by such an enormous deficit, nor impelled by every proper consideration to the immediate meeting of that deficit.

I beg the Senator's pardon, but I wanted to make that observation.

Mr. SHIPSTEAD. I am very glad to yield to the Senator.

I quote now from the same editorial of the Washington Post, April 18, 1928, in reference to writing tariff legislation on tax bills:

A rider to a tax reduction bill providing for increased duties on farm products may attract considerable Democratic and Progressive support, but it will not be approved by President Coolidge. The tariff can not be considered in any such piecemeal fashion. The structure of tariff legislation is too complicated and interdependent for any such procedure to be followed. Many Members of Congress know this, but they are more intent upon making political capital than drafting legislation.

That is not my language. I am not accusing Senators who are speaking in behalf of these industries here of seeking to make political capital. I realize their position. I doubt very much that they want to remain in session here all summer to revise the tariff from top to bottom, and after having done so, in my opinion, coming to the conclusion after the lapse of time that it was love's labor lost.

I am not one of those who believe, much as I regret it, that the depression which now engulfs us can be solved by any piecemeal tinkering with the tariff. I have had no sympathy with those who for the past three years have said prosperity was just around the corner and the depression was simply a state of mind. I have never had any sympathy with the so-called economic experts who have advised us from day to day that the depression would be over in 30 or 60 days. I am not going to take the time of the Senate nor can I find words to express my opinion of men in public life who have had so little conception of what we were confronting. I believe Compté said, "In order to be able to govern successfully one must be able to anticipate" or to foresee successfully. We have not been able to anticipate nor have we been able to foresee successfully.

I am one of those who believe depressions come as a result of definite causes which are the result of policies which have been pursued and therefore could have been avoided. I am not one of those who believe we are going to get out of this depression by continuing the policies that brought it about. I am not one of those who believe that after having pursued the policies we have for the past 15 years, a magician can by some get-rich-quick panacea blow the clouds of depression away and restore prosperity overnight or in 30 or 60 days. I am one of those who believe, and I hope I am not wrong, that it is necessary to change the policies that caused the depression and pursue a different line of policy than we have followed here for the past 15 years. We have pursued policies that have been so inconsistent and so incompatible that they could lead to nothing but disaster. When a nation of 120,000,000 people, governed by a government that pursues such incompatible policies as huge importations of foreign capital with prohibitory tariffs, that nation is bound to get into trouble.

I do not want to be understood to say that pursuing these two incompatible policies alone brought on or caused the depression. However, I believe a great deal of the trouble we now experience is due to these two. Because we are considering tariff amendments here I want to take just a little of the time of the Senate to show what have been the results at least from circumstantial evidence which we have from official sources, the results of pursuing such policies.

As a result of this exportation of capital we exported something like \$25,000,000,000. Foreign countries owe here about \$4,500,000,000, leaving a possible investment abroad of something like \$20,500,000,000. There is a standing interest charge in our favor coming to us each year of \$1,000,000,000 that must be paid in gold or in kind. Of course, the debtor nations have not got the gold. I am not talking about the war debts only. I am talking about entire allied war debts and other loans abroad to municipalities, industrial concerns, of a private character, but payable in interest on this side of the Atlantic in the amount of \$1,000,000,000 a year. How can they pay it with international exchange? How can they pay it in gold when they have not got it? How can they buy gold with goods if no one will buy their goods?

When Great Britain decided to become a great international creditor she abolished her corn laws and sacrificed her agricultural communities and her tariffs, because she knew that the two were incompatible and inconsistent, and as such built up a great international trade all over the world. We tried to eat our cake and have it too. Let us see what happened.



From May 28, 1929, up until the present time, American consumption has gradually decreased, unemployment has increased, values have gradually declined. The impossibility of being able to sell and buy goods here, the inability to buy here, and at the same time pay the interest on the debt owed here. The result was inevitably foreseen by the nations of the world as well as industrialists and others in our own country.

When the House of Representatives on May 28, 1929, passed the last tariff act proposing over 800 increased duties on the then high tariff wall, what happened? Up until the 1st of June the international statistical abstract, the Department of Labor statistics of the Government of the United States, and Department of Commerce reports all show that production was increasing all over the world in the first six months of 1929. Labor in the United States increased in employment up until the 1st of June, 1929. These official statistics will show that in every country in Europe and in the United States and in Canada the first six months of 1929 reached the highest point of world prosperity since the World War. Within 30 days after May 28, 1929, according to the Census Bureau, new orders for factory goods dropped 16 per cent; unfilled orders for transportation equipment, including automobiles, declined 23 per cent in 60 days; unfilled orders for steel dropped 640,000 tons in 90 days; cotton consumption by textile mills fell 17 per cent in one month; total factory pay rolls dropped to 106 in July as compared with 111 in May; automobile production dropped 38 per cent from April to October.

On August 9 the Federal reserve banks raised their rates 5 to 6 per cent, evidently sensing that trouble had already started.

On September 4 the Senate Finance Committee reported the tariff bill to the Senate. The following day the stock market started its swift decline, developing into a panic. Share values on the stock exchange shrank \$2,000,000,000 in 30 days and \$24,000,000,000 more by November 1.

The following June the Senate sent the tariff bill to the White House. To the White House also went petitions from this country's leading economists and industrialists, and also the official protest of 36 foreign countries who the year before had purchased \$4,000,000,000 worth of farm and factory products in the United States produced by American farmers and American laborers.

In the year following the House vote 1,100,000 factory workers alone lost their jobs and bank failures had exceeded the volume of deposit liabilities of the combined totals of the panics of 1893, 1908, and 1921, and the total number of unemployed had increased 2,451,000.

The President signed the bill on June 17. By November 1, 600,000 more workers had lost their jobs, and industrial share values had dropped another \$18,000,000,000, making a total loss of \$44,000,000,000 since September 5, 1929, or the day after the Senate Finance Committee reported the tariff bill to the Senate.

Since that time 23 countries have raised retaliatory tariff walls against our products, and 170 manufacturing plants have been built in foreign countries by American capital, hiring foreign labor and buying foreign raw material in order to make there the finished products which the retaliatory tariffs would not permit us to send them from here.

Last summer I asked a German statesman this question, "You raised your tariff last spring on agricultural products, although you have been importing about \$800,000,000 of agricultural products a year. Why did you do that?" He said, "We were shut out by tariff walls from selling to other countries the products we can produce, and so we have nothing with which to pay, and, as we already owe more than we can pay with gold and are not able to sell our goods, we had to keep agricultural products out in order to stimulate agricultural production at home. The United States and other countries started this tariff war all over the world; we can not buy if we can not sell, and if we can not sell to you we can not buy from you, because we can not pay."

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Maryland?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. I was interested in the Senator's statement as to the number of factories which had moved abroad. Will the Senator state the number again. I think he said 157.

Mr. SHIPSTEAD. The number stated by me was 170.

Mr. TYDINGS. I was just wondering if the Senator had any fairly reliable estimate as to the number of men such factories employ or as to the amount of capital invested in them?

Mr. SHIPSTEAD. No; I can not say as to that. I will say, however, to the Senator that 170 is not the correct number. The data I am using were gathered last October and they have not been brought up to date. It has been very difficult to bring them up to date. I have seen notices in the press from time to time that other plants had been established in foreign countries, thus exporting further capital, and, so to speak, exporting further plants. I have merely been giving an enumeration of facts for consideration now in order to show the consequences of pursuing inconsistent policies.

The Treasury deficit of over \$2,000,000,000 reflects the falling revenues and the depressed business conditions of our country.

Why do I say that the tariff vote of May 28, 1929, was an epoch-making event in the history of depressions? I say that because until that date the year 1929 had marked the high peak of world prosperity since the war.

Data published by the Commerce Department and Federal Reserve Board indicate that the high level was reached in May and that the first drop came here in June, the first month following the tariff vote.

The Commerce Yearbook for 1930 states:

British industrial activity was officially estimated to have been 5.8 per cent greater in 1929 than in 1928, and employment also improved for the first three quarters of the year; the third quarter showed distinct improvement, but the fourth quarter of the year showed a clear-cut falling off.

Employment in Great Britain steadily increased until October, 1929. The decline in Great Britain did not start until four months after it started here.

The same source of information shows that in Germany the production index stood at 112, compared with 100 in 1928. Steel production was 11 per cent larger in 1929 than in 1928. The coal industry had a very prosperous year. The production of coal, lignite, and coke was the greatest since the war. Agricultural production was well above the average of the five preceding years, and railway freight tonnage was the highest since the war. Exports of German products in 1929 established a new high level for all time, amounting to \$3,210,000,000, an increase of 11 per cent over 1928. Of the 2,662,000 unemployed workers in Germany in February, 1929, 1,600,000 went back to work in the following six months, as reported by the United States Bureau of Labor Statistics.

Manufacturing activity in Canada was about 30 per cent greater during the first four months of the year 1929 than during the same period in 1928. A decline in general industrial activities set in in August, and by December Canadian production had fallen 25 per cent.

This increased activity in all industry in the countries above mentioned was proportionately manifested in Czechoslovakia, Belgium, Denmark, France, Irish Free State, Portugal, Spain, Russia and the Scandinavian countries.

It is to be noted that the business decline was not observed in Canada and European countries until the fourth quarter of the year 1929, while in the United States it made its appearance in the second quarter and within 30 days following the House tariff vote. It, therefore, appears on the official testimony of the Commerce Yearbook and the International Statistical Yearbook that the claim made by some people that the depression originated in Europe has no foundation in economic fact.



I found in Europe a disease that has been very prevalent here. I found that all over Europe statesmen, bankers, and industrialists were blaming all their troubles on the United States. Answerable to their people for their leadership, they had to give an excuse for the conditions prevailing in their respective countries. In this country statesmen, bankers, and industrialists have blamed Europe for our own troubles. Mr. President, it has always been my opinion, and is now a confirmed conviction, that we are not suffering from the troubles of Europe to any greater extent than we have made Europe's troubles our own, to any greater extent than that we have mixed into their affairs and assumed their liabilities. To that extent we are suffering from the troubles of Europe.

From what I know of European conditions, and from what I think I know of conditions in the United States, I think it will come very well within the province of Congress and the province of the White House to confine our activities and our thoughts to solving the problems of the United States. There are plenty of people in Europe working on their problems. While I admire the spirit of those who say we should give moral leadership to the world, if we have an exportable surplus of moral leadership, let us see if we can not find it and make use of it at home.

The records to which I have referred show:

First, that increased production during the first half of 1929 was general abroad and that the only decline in 1929 was in the closing months of the year after the American decline had set in, with the resulting stock panic and depression.

Second, that employment had increased in 1929 throughout the countries representing 90 per cent of foreign industrial production.

Third, that in a majority of countries abroad the highest prosperity was reached in 1929 of all years since the World War.

The decline in industry anticipated the stock-market crash of October, 1929, with its resulting bankruptcies and destruction of purchasing power, which caused and inaugurated a secondary decline in price levels, which has, so to speak, fed upon itself and continued with increased force and intensity until the present day, when 8,000,000 men are out of employment.

The year before the tariff act was passed foreign countries had bought \$5,283,000,000 worth of American products. Not being able to continue to sell to or buy from us, there were five things they could do, all of which worked together to undermine our economic and industrial structure and the New York stock market.

First, they could stop ordering American goods.

Second, they could cancel American export orders unfilled.

Third, they could file protests at the White House, which 36 countries did.

Fourth, they could levy retaliatory tariffs against American goods, which 23 countries have done.

Fifth, they could unload their American shares and liquidate their American speculative investments and realize their profits.

The record shows that they did all these things, and did them in abundance. From the date of the tariff vote to July 1, 1931, exports dropped \$3,569,000,000. And all over the world the battle of the tariff wall is going on. In self-defense Great Britain has called an economic conference to meet at Ottawa in July to discuss an intercolonial money policy, intercolonial tariffs, intercolonial economics from practically every point of view. The far-reaching consequences of that conference to the United States and the other nations of the world can not be estimated at this time.

Mr. President, I have called these matters to the attention of the Senate, not for the purpose of making an attack upon the protective-tariff policy as such, but to protest against the inequalities always imposed on agriculture by its unfair discriminations imposed by those in control of tariff making and to show the disastrous consequences of a nation of 120,000,000, with such vastly varied sources of production, pursuing the policy of exporting huge amounts of

capital, while at the same time raising tariff walls against the goods that are produced by the people of other countries from whom we expect to collect the capital we have invested and interest thereon, and also payment for the goods which we sell.

The evidence of what is to come certainly must have been manifest here during the last three or four days. Will those who are now trying to make a tariff bill out of this tax bill assume the responsibility of having this debate continue for possibly 2, 3, 4, or 5 months? Is this the time in the history of this country, with present conditions as we find them, to have another such session of Congress as we had beginning in 1929 and running up to June, 1930?

I have been one of those who think the balancing of the Budget has been greatly overemphasized by propaganda in the press of the country. I do not believe that the Budget will be balanced. I do not think it can be done. The only way to balance the Budget of the Government of the United States is first to inaugurate and initiate policies that will balance the budgets of the corporations and the citizens of this country. The Government Treasury is becoming empty because the individual citizen's pockets and the treasuries of our corporations and our employers are becoming empty. When the private individual has no income he pays no taxes, and, consequently, the Government has no income. The way to fill the Treasury of the Government of the United States is first to fill the treasuries of the American people so that they have an income with which to pay taxes, and then our Treasury will be automatically filled and our Budget will be balanced.

Raise taxes now, cut down all possible expenditures now, pursue the policies that have brought about this condition, and how long will it be before our Budget is unbalanced again, and the deficit in the Treasury is as large as it is now?

If we do succeed momentarily in balancing the Budget by increasing taxes and cutting expenditures wherever they can be cut, and we find at the end of the next fiscal year that we have another deficit, what are we then going to do? Are we then going to raise taxes again, take men out of employment again, cut expenditures, and continue to pursue the policies that have destroyed the incomes of the American people and therefore the income of the Government of the United States?

That system of balancing the Budget and conducting the Government of a great people is something that feeds upon itself as the depression, the descending price level feeds upon itself. If we pursue that policy to its ultimate conclusion we will keep on taxing the people until we have taxed them out of everything they have and they have nothing in their pockets, and then there will be nothing in the Treasury of the United States either.

I am not so worried about balancing the Budget. I am much more concerned with eliminating and stopping the policies that have brought about the destruction of income to the great mass of the people, the destruction of purchasing power on the part of the great mass of the people. Restore that purchasing power, and the corporations of the country, the industries, the producers of raw material, will be able to employ labor, and we will not have to borrow money and give it to the various communities of the United States in order that they may have something with which to feed their hungry people.

I do not believe that it would be good policy to take the entire summer to talk about tinkering with tariffs. With the present trend of the economic situation in the United States, I have an idea that by November there will be very few people in the United States who will be interested in tariffs.

I do not want to delay the passage of the tax bill. I had not intended to speak as long as I have spoken; but in view of things that it at least seems to me I could foresee, I did not want this to become a tariff bill without protesting. In view of the present situation I think it would be unwise, it would be uneconomical, it would have a bad effect on the country, and I can not see where it will give any substantial relief.



I want to say also in this connection that I regret very much that the Congress did not stay in session last summer, preparing for the conditions we are asked to legislate to meet now. To be called here in December and about every 15 or 20 days to be presented with a measure that we are told must be passed at once in order to stop the depression, I say, with all due respect to those who disagree with me, is not the course of wise statesmanship. It is making an effort and a gesture after the horse is taken out of the barn. We can not legislate for hindsight. We must legislate according to our foresight; and I hope we shall have a little more foresight in the future than we have had in the past.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. HULL. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Tennessee suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bailey	Davis	Kendrick	Shipstead
Bankhead	Dickinson	Keyes	Shortridge
Barbour	Dill	King	Smith
Barkley	Fess	La Follette	Smoot
Bingham	Fletcher	Lewis	Steiwer
Blaine	Frazier	Long	Stephens
Borah	George	McGill	Thomas, Idaho
Bratton	Glass	McNary	Thomas, Okla.
Brookhart	Goldsbrough	Metcalf	Townsend
Broussard	Gore	Morrison	Trammell
Bulkeley	Hale	Moses	Tydings
Bulow	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Walcott
Caraway	Hatfield	Norris	Walsh, Mass.
Carey	Hawes	Nye	Walsh, Mont.
Cohen	Hayden	Oddie	Watson
Connally	Hebert	Pittman	Wheeler
Coolidge	Howell	Reed	White
Copeland	Hull	Robinson, Ark.	
Costigan	Johnson	Robinson, Ind.	

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present. The question is on the amendment of the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. President, I am not going to speak on the question. I want to take just a moment of the Senate's time, however, to explain the parliamentary situation as I understand it.

The pending amendment seeks to amend the committee amendment. It has occurred to me, after consulting with quite a number of Senators, who take the same view of this situation and who are opposed to any tariff on oil, that nothing can be gained by two votes. The reason why the amendment was offered was on account of the ruling of the Chair, which, in effect, said that there would be no opportunity to vote directly upon the question of tariff or no tariff upon oil unless the Senate rejected the committee amendment.

With the idea that some of us who were opposed to any tariff law, if we could not get what we wanted, would rather have as low a tariff as possible, I offered the pending amendment. But it is quite apparent, I think, that if those who are opposed to a tariff on oil have a sufficient number of votes to carry the amendment I have offered, they would likewise have a sufficient number of votes to vote down the committee amendment.

If that is done, then, under the ruling of the Chair, it will be in order to strike out the text of the House, and if it is done, I expect to offer such a motion unless somebody else offers it. But in order that we may get a vote directly upon the question, I now withdraw my amendment so as to permit the vote to be taken directly on the committee amendment.

The VICE PRESIDENT. The yeas and nays having been ordered on the Senator's amendment to the amendment of the committee, it will be necessary to get unanimous consent to withdraw the amendment. Is there objection to the request of the Senator from Nebraska to withdraw his amendment? The Chair hears none, and the amendment to the amendment is withdrawn. The question is on agreeing to the committee amendment to strike out, on page 242, begin-

ning in line 23, and to insert on page 243 the first paragraph in italics.

Mr. NORRIS. I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

Mr. TRAMMELL. Mr. President, I desire to address the Senate for a moment.

As I consider the pending proposal to be one to impose upon the American people a tribute in the interest of the oil companies of this country approximating probably half a billion dollars, or perhaps a billion dollars, if they manipulate it as the oil companies of this country have often manipulated their business affairs, I am reminded of the appeals which have been coming to me, and doubtless to every Member of the Senate, for the past four or five months, for relief to the American people from what they term extravagant Government expenditures, duplications in bureaus, and the great cry for the balancing of the Budget.

I take it that these expressions coming from the American people are based upon a sentiment which they entertain that the burdens they have to carry at the present time and in the present condition of depression which exists throughout the country are more than they feel able to bear. I can not distinguish between a burden imposed for the purpose of raising revenue for the maintenance of the Government and a burden that is placed upon the American people for the special benefit of a special private interest.

Certainly those who are advocating that we shall impose an import tax of 2½ cents a gallon upon gasoline contemplate and expect that such legislation will be helpful and beneficial to them. If they contemplate that, whether or not they will realize their expectation is problematical. That has been fully illustrated in the past in dealing with tariff problems, and this is nothing but a tariff. You might call it an import tax, or whatever you wish, but it is nothing more or less than a tariff.

If the sponsors of the tax realize that expectation, if they boost the price of gasoline to the 26,000,000 users of automobiles in America even 2½ cents a gallon, and if they advance the price of oil, according to the statistics here, only to that extent, then they will impose upon the American people, in their depressed and poverty-stricken condition of to-day, with industry paralyzed, with eight to ten million people out of employment, an additional burden they will have to contribute of approximately half a billion dollars.

Mr. LONG. Mr. President, will the Senator yield?

Mr. TRAMMELL. Certainly.

Mr. LONG. Does not the Senator think the tariff we already get on lemons and automobiles would help pay that?

Mr. TRAMMELL. It might help pay it; but when those duties were imposed, we were considering a tariff bill, we were surveying the tariff field, and the situation was quite different from having three or four industries only placed in a bill; and those who are supporting the tariffs proposed in this measure will oppose any other industries having a tariff provided.

If there could be an adjustment of the entire situation on the part of all other industries in this country in this measure, then the question of a tariff being injected into this bill would present altogether a different situation. But I am not so blind that I do not know and realize that if those who are seeking to impose this burden of at least half a billion dollars upon the American people, not for the Government's maintenance but for the assistance of one industry in the country, succeed in imposing that burden upon the American people, they will just as cheerfully decline to allow other industries having other tariff items enacted into law at this time.

They will cheerfully defeat any amendment, probably, to reduce certain tariffs which the entire American people, practically, believe are unjust and unreasonable, and it will resolve itself into the question of the Congress of the United States and of the Senate bowing down in submission or in favoritism to one or two industries, and placing a burden upon the American people as a result of such favoritism. It is the height of favoritism, considering the conditions in the country at this time.



I do not care to have the price of gasoline increased 2½ cents a gallon in my State, and if the advocates of this tariff do not do that, they will not do what they contemplate doing, and those who are supporting the provisions of this bill providing for the tariff are giving to them a weapon for the purpose of imposing this enormous burden upon the American people. There is no escape from that conclusion.

I am not willing to have the people of my State, industrially paralyzed as they are, the farmers stricken into poverty practically—and that is less prevalent in Florida than it is in most of the other States of the Union—I am not willing to have them imposed upon to the extent of saying, "We will take about three or four million dollars more a year from you"—I think it amounts to \$6,000,000 in my State—"for the purpose of helping these people who are engaged in the oil industry."

That is what it means. Of course, in larger States, the tax and the tribute which the Congress would impose upon the people in their present distressed circumstances, for the benefit of the oil people of the country, would be far in excess of what it would be in my own State.

I hold no brief for any of the oil companies. It might be that the Standard, in its conquest for supremacy and domination, has probably gotten some advantage of the so-called independents. It is regrettable if they have. But are we going to attempt to go into all the business enterprises of this country and settle the conflict which has been waged, and which exists among certain elements in industry, and pass the burden on, if you please, to the backs of the already overtaxed American people merely for the purpose of assisting private industry?

In my own State and throughout the Union we have from time to time witnessed the merchant who has been reasonably successful maintaining his private business, and we have seen the chain-store idea gradually increasing and spreading and spreading, until the chain stores have driven from the mercantile field those who have been engaged in it, perhaps for years, almost completely throughout this country. Why not try to enact some legislation in this bill for the purpose of adjusting that situation?

There used to be a good many independent automobile builders and manufacturers in the automobile industry. Gradually the octopus in the automobile industry has reached out, until it has destroyed practically all or a large majority of the independent dealers of the country. But Congress never legislated for the purpose of assisting either one side or the other in its manipulations, although deplorable.

I think that if there were some way by which we could reach by legislation, or put a double proposition into the tariff item in this bill, to control the prices of gasoline and crude oil and other petroleum products to the consumers of the country, then there would be some justification for going to the rescue of one or the other element in the oil business and the gasoline business. But that is not proposed. The advocates and the champions of this increased burden upon the American people, if it works out as contemplated, are going to allow the Standard—the monopoly—and all the other companies engaged in this industry, if they please, to increase the price of gasoline to the consumers of this country to any amount which they wish.

I think it more important to protect the interests of the consumer of gasoline and of oils than it is to enact legislation which will furnish a weapon for the producers and the sellers of these products to try to take more money from the American people, and that without limitation, as far as the legislation is concerned.

I have seen the manipulation in the gasoline price-fixing business, to the detriment and the heartache of the people throughout this entire country. My own people have often suffered under the price-fixing and monopolistic tendencies which have been exercised by the oil industry of the country. I have witnessed them advance the price one week from 14 to 16 cents a gallon, the next week from 16 to 18 cents a gallon, the next week from 18 to 20 cents a gallon, pyramid-

ing the prices for a period of, say, four weeks, until they had the consumers paying 8 or 10 cents a gallon more in that period of time, and that operation was not restricted to the Standard. Every other oil company enjoying the field, within my State at least, cooperated in the activity, and increased their prices just as rapidly as the Standard did, and on the same day that they increased the prices.

Mr. GORE. Mr. President, will the Senator yield to me? Mr. TRAMMELL. I yield.

Mr. GORE. I think there was some error in the Senator's statement, or he attributes the result to wrong causes. The price of gasoline at the refinery to-day is 3½ cents, and casing-head gasoline sells for as low as 1½ cents a gallon. I do not believe that the price of ordinary gasoline at the refinery has ever been much more than 7 cents, and I think the Senator's own State to-day imposes a tax on gasoline of 7 cents a gallon, 200 per cent of the refiner's price.

Mr. TRAMMELL. The Senator proposes to increase that, and to make an additional imposition of 2½ cents a gallon, if his machinery operates.

Mr. GORE. Even that would be only one-third of what the Senator's own State imposes on its own people.

Mr. TRAMMELL. That is a different situation entirely. In that instance the revenue derived from the tax imposed is for the maintenance of Government, the construction and maintenance of roads, and for other governmental purposes. In this instance the proposal is to tax for a contribution and tribute to private industry. That is the distinction between the two.

I am very happy the Senator lives in a State where they can buy gasoline so cheaply. Most of the States are not so fortunate. I speak for my own State because I know a good deal about it. There is a monopoly of this product. Gasoline may be purchased at times for 14 cents a gallon and at the same time we have to pay 20 cents a gallon in my State and in most of the States throughout the South.

Mr. SHEPPARD. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Texas?

Mr. TRAMMELL. Gladly.

Mr. SHEPPARD. Under conditions such as now prevail any increase in the price of gasoline occasioned by this tax would be absorbed by the few big oil powers, and would not be passed on to the consumer.

Mr. TRAMMELL. From past operations and manipulations and experiences, I very seriously question that. Of course, I know the Senator is sincere in his contention, but I do not accept that as an absolute certainty at all. I do not think the monopoly are going to allow themselves to have to absorb this 2½ cents a gallon on gasoline or the tax imposed on petroleum and petroleum products. They do not seem to be built that way. There is an enormous amount of money that has been made by the Standard and other groups in the oil industry. It has not been restricted alone to the Standard group. They are not likely to do as the Senator from Texas suggests.

I would be very glad to help any of these concerns that have been unfairly treated, that are unfortunate; but I do not propose in doing that to take money from people who are even more unfortunate, people who are more stricken with the depression which prevails throughout the country to-day. That is the only construction I can put on the situation. It is proposed to take from a great number of people and from the entire country an enormous amount of additional contribution and turn it over to private industry; and the very people from whom it is proposed to raise this contribution are in worse condition, at least 80 or 90 per cent of them, than the people to whom the money is to be given.

I do not believe anyone can establish anything other than that. Consider the agricultural interests in the country. The statistics were given by the Senator from Maryland as to the contribution to be made by agriculture. Is there any Senator who will take the position that agriculture is more prosperous than the oil institutions which it is proposed to assist by assessing agriculture? I have not heard anybody saying that.



Another thing that appeals to me in passing upon the question is the fact that agriculture has pleaded, has begged, and has entreated Congress for the past four or five or six months for some assistance and some relief. In the main no contribution has been made to agriculture. If there was as much zeal in behalf of the farmers and tillers of the soil in this country as there is in behalf of the oil companies, many of whom are rich, those who are back of the proposition would have some amendment to the bill promotive of the interests of the farmers of America.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. TRAMMELL. I yield.

Mr. LONG. Did I understand the Senator to say that most of the oil companies are rich?

Mr. TRAMMELL. I did not say most of them. I said many of them.

Mr. LONG. There are only four.

Mr. TRAMMELL. There are rich companies who are paying their officers enormous salaries. They have floated stocks upon the people of the country and overcapitalized themselves until they have filched from the American people millions and millions of dollars in watered stocks.

Mr. LONG. I understand there has not been a single oil concern that the Senator has described of that character that is for the tariff. On the contrary, the four major oil companies, the only ones who have been in a position to make money, are the ones who have always been for the tariff. There is no getting away from the facts.

Mr. TRAMMELL. I do not know who are for it or who are against it among the oil people. I do not know who is going to benefit among the oil concerns of the country. I take it for granted they all hope to benefit under it. But of one thing I am certain, and that is that the contribution which it is hoped to realize is going to be imposed upon the people of America who are already overburdened and who are unable to make this contribution for the purpose of assisting one industry in the country.

I would much prefer to have seen this item taken up in a tariff bill. There has been a good deal of discussion about tariff bills ever since Congress convened, but there has been a lot of dodging around and everybody seemed to think we should not have a tariff bill considered at this session. There are some industries that probably would like to have some additional protection. There are a great many who entertain the idea that certain tariff items should be reduced. I am honestly of the opinion that the sentiment throughout America to-day is that our present tariff law has worked harmfully instead of beneficially to our country and to the industries of the country. If that is true, why not consider the entire tariff question instead of selecting a favored two or three industries in the country?

These matters should be considered entirely upon their merits in a tariff bill. If we start to consider a tariff bill, then all other items that would go to make up a tariff bill might be proposed to be considered, but here nothing of the kind is proposed. It is the desire absolutely to choke off everybody else. The only purpose for which it is desired to use the other industries in the country, for which it is desired to use agriculture in the country, is to make contributions to these favored industries which it is proposed to assist through this bill. It is proposed not only to deny to other industries in the country the privilege of a hearing and the consideration of the merits of their contention either for or against a tariff on certain items or for a reduction or increase in certain items of tariff, but it is proposed to use them as convenient vehicles for the purpose of making this contribution and this tribute to the oil companies of the country. So far as I am concerned I do not think we should have taken up a tariff item in the bill. Then, speaking to the merits, I certainly shall not contribute my vote toward making the stricken people of my State and of the United States contribute \$500,000,000 or possibly \$1,000,-

000,000, if the scheme works out for the benefit of special interests.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee on which the yeas and nays have been ordered.

SEVERAL SENATORS. Let the amendment be read.

The VICE PRESIDENT. It will be read.

The CHIEF CLERK. On page 242, after line 22, the committee report to strike out:

(4) Crude petroleum, fuel oil derived from petroleum, gas oil derived from petroleum, and gasoline, 1 cent a gallon; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

And to insert in lieu thereof:

(4) Crude petroleum,  $\frac{1}{2}$  cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel,  $\frac{1}{2}$  cent per gallon; gasoline or other motor fuel,  $2\frac{1}{2}$  cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound; natural asphalt and asphalt and bitumen derived from petroleum, 10 cents per 100 pounds. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DALE]. I withhold my vote. If permitted to vote, I should vote "nay."

Mrs. CARAWAY (when her name was called). I have a pair with the senior Senator from Illinois [Mr. GLENN]. I should vote "yea" if I were at liberty to vote, and the senior Senator from Illinois would vote "nay" if present.

Mr. DAVIS (when his name was called). I have a pair with the junior Senator from Kentucky [Mr. LOGAN]. In his absence I am compelled to withhold my vote. If permitted to vote, I would vote "yea."

Mr. HASTINGS (when his name was called). I have a pair with the senior Senator from Alabama [Mr. BLACK], and therefore withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES (when his name was called). I have a general pair with the Senator from Virginia [Mr. SWANSON], who is necessarily absent. I find, however, that I can transfer that pair to the Senator from Colorado [Mr. WATERMAN], which I do, and vote "yea."

Mr. LEWIS (when his name was called). Mr. President, I have a pair with the Senator from South Carolina [Mr. BYRNES]. I may be able to secure information a little later as to how he would vote if present. At present I can only announce my pair.

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. MCKELLAR], who is detained from the Chamber on account of illness. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. TYDINGS. Mr. President, I should like to change my vote from "nay" to "yea."

Mr. ASHURST. I object until there shall be a recapitulation of the vote and we know how the Senator voted. Let the vote be recapitulated.

Mr. TYDINGS. I do not have to wait for a recapitulation; I can change my vote at any time.

The VICE PRESIDENT. The Senator has a right to change his vote.

Mr. FESS. I desire to announce that the Senator from Missouri [Mr. PATTERSON] is paired with the Senator from New York [Mr. WAGNER]. The Senator from Missouri is absent on account of illness. If present, he would vote "yea." The Senator from New York is unavoidably detained, and I understand if present would vote "nay."

Mr. SHEPPARD. I wish to announce that the senior Senator from Alabama [Mr. BLACK] is out of the city, and the junior Senator from Kentucky [Mr. LOGAN] is detained on official business. I also wish to announce that the senior



Senator from Virginia [Mr. SWANSON] is necessarily detained from the Senate on official business. If present, he would vote "nay." I further wish to announce that the junior Senator from South Carolina [Mr. BYRNES] is necessarily detained from the Senate by illness in his family. If present, he would vote "nay."

The result was announced—yeas 43, nays, 37, as follows:

## YEAS—43

Ashurst	Dickinson	McGill	Stelwer
Austir	Dill	McNary	Thomas, Idaho
Barkley	Frazier	Metcalf	Thomas, Okla.
Bingham	Gore	Neely	Tydings
Bratton	Hale	Oddie	Vandenberg
Broussard	Hatfield	Pittman	Walcott
Capper	Hayden	Reed	Walsh, Mont.
Carey	Johnson	Robinson, Ind.	Watson
Connally	Jones	Sheppard	Wheeler
Couzens	Kendrick	Shortridge	White
Cutting	Long	Smoot	

## NAYS—37

Bailey	Costigan	Hull	Robinson, Ark.
Barbour	Fess	Kean	Schall
Blaine	Fletcher	Keyes	Shipstead
Borah	George	King	Smith
Brookhart	Goldsborough	La Follette	Stephens
Bulkley	Harrison	Morrison	Trammell
Bulow	Hawes	Moses	Walsh, Mass.
Cohen	Hebert	Norbeck	
Coolidge	Howell	Norris	
Copeland		Nye	

## NOT VOTING—18

Bankhead	Dale	Lewis	Swanson
Black	Davis	Logan	Townsend
Byrnes	Glenn	McKellar	Wagner
Caraway	Hastings	Patterson	Waterman

So the committee amendment was agreed to.

Mr. TYDINGS. Mr. President, I wish to enter now a motion to reconsider the vote by which the amendment just adopted was agreed to.

The VICE PRESIDENT. The motion will be entered.

Mr. TYDINGS. In addition to that, I wish to offer 500 amendments to the tariff law, which I ask may be considered as pending as soon as we pass through the amendments now before us.

The VICE PRESIDENT. The amendments intended to be proposed by the Senator from Maryland will lie on the table and be printed.

Mr. NORRIS. I offer a proposed amendment to the pending bill, which I ask may be printed and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. BULKLEY. Mr. President, I desire to enter a motion to reconsider the vote by which the committee amendment on page 241, commencing in line 20 and extending over to page 242, line 5, was agreed to.

The VICE PRESIDENT. The motion will be entered.

Mr. REED. I make the point of order that it is too late for the Senator from Ohio to enter the motion to reconsider.

Mr. BULKLEY. This is the second day after the amendment was adopted.

The VICE PRESIDENT. The motion of the Senator from Ohio may be entered to-day. The next amendment will be stated.

The CHIEF CLERK. The next amendment is, on page 243, after line 13, to strike out:

(5) That an excise tax shall be levied, collected, and paid upon the hereinafter described articles when imported from any foreign country into the United States upon coal (anthracite or bituminous), coke, or coal or coke briquettes, 10 cents per 100 pounds.

And in lieu thereof to insert:

(5) Coal of all sizes, grades, and classifications, coke manufactured therefrom; and coal or coke briquettes, 10 cents per 100 pounds. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles, and shall not be imposed upon any such article if during the preceding calendar year the exports of the articles described in this paragraph from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this paragraph.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

Mr. BORAH. Mr. President—

Mr. REED and other Senators asked for the yeas and nays, and they were ordered.

Mr. ROBINSON of Arkansas. Mr. President, the Senator from Idaho addressed the Chair before the yeas and nays were ordered.

The VICE PRESIDENT. The Chair did not hear the Senator from Idaho. He has, however, plenty of time in which to speak.

Mr. BORAH. Mr. President, I do not desire to speak, but I should like to obtain a little information before the vote. What is the amendment upon which we are voting? I did not fully understand it as read by the clerk.

The VICE PRESIDENT. Let the amendment again be reported.

The Chief Clerk again stated the amendment.

Mr. BORAH. Mr. President, I should like to ask the Senator in charge of the bill or some other Senator how much revenue the proposed tariff tax on coal is expected to realize?

Mr. HARRISON. The estimate of the Treasury Department is that it will raise half a million dollars.

Mr. KING. In my opinion, that is too much.

Mr. BORAH. What is the amount of our imports of coal?

Mr. REED. At the present time it is eight hundred and thirty-six thousand and odd tons.

Mr. BORAH. And what are our exports?

Mr. REED. About 13,000,000 tons, 11,000,000 of which go to Canada.

Mr. ROBINSON of Arkansas. May I ask the amount of coal imported from Canada?

Mr. REED. The amount is comparatively small—under 200,000 tons.

Mr. KING. It is 160,000 tons.

Mr. REED. Under this amendment coal imported from Canada would not be taxed.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I yield.

Mr. KING. Is the Senator sure that he stands upon valid substantial grounds in thus discriminating against a country?

Mr. REED. It is not a discrimination against a country. It is a discrimination in favor of those countries that import more from us than they send to us.

Mr. KING. Is not that a discrimination against those countries with which we have treaties?

Mr. REED. It did not seem so to the committee. Every other country can enjoy the same privilege if it will patronize this country.

Mr. KING. Speaking for myself, it seemed to me, as a member of the committee, to be a discrimination.

Mr. ROBINSON of Arkansas. Mr. President, what is the country, or what are the countries, that will pay the tax under this amendment?

Mr. REED. Principally Soviet Russia.

Mr. ROBINSON of Arkansas. What amount of coal was imported from Soviet Russia last year?

Mr. REED. In the calendar year 1931 I am told there were 216,990 tons imported, but I may supplement that by saying that the rate of imports has very greatly increased since the first of this year.

Mr. BORAH. What is the present rate of imports from Russia?

Mr. REED. I will get those figures for the Senator; I have not them before me.

Mr. FLETCHER. Let me inquire of the Senator what is the character of coal imported into this country?

Mr. REED. The coal that comes from Russia is mostly anthracite coal from the Donetz Basin in southern Russia.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. I will yield as soon as I ask the Senator from Pennsylvania a question. How much coal are we importing from Great Britain?



Mr. REED. I have the figures. In 1931 we imported from Great Britain 305,000 tons of Welsh anthracite.

Mr. BORAH. What was the quantity we imported from Russia?

Mr. REED. We imported from Russia 216,000 tons.

Mr. BORAH. Then the heaviest exporter of coal to this country is Great Britain?

Mr. REED. The heaviest exporter of coal to this country was Great Britain, but it is not now.

Mr. BORAH. Which is the heaviest exporter of coal to this country now?

Mr. REED. Soviet Russia.

Mr. BORAH. What is the quantity of coal coming in from that country?

Mr. REED. As I said to the Senator a few moments ago, I have not the figures at hand, but the volume has very much increased since the first of this year.

Mr. BORAH. I venture to say, when the Senator ascertains the figures, he will find that Great Britain is still the heaviest exporter of coal to this country.

Mr. REED. I believe not, but I will obtain the figures for the Senator very shortly.

Mr. TYDINGS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED. I will yield if I have the floor, but I think the Senator from Idaho still has the floor.

Mr. BORAH. I think I am through, having obtained the information I desired.

Mr. TYDINGS. Mr. President, will the Senator from Pennsylvania tell us how much Canadian coal now comes into the United States?

Mr. REED. About 57,000 tons, I think, comes from the mouth of the St. Lawrence River and goes into the New England States, and a little coal comes from British Columbia into the State of Washington; not very much.

Mr. TYDINGS. How much do we sell to Canada?

Mr. REED. We send to Canada about 11,000,000 tons a year.

Mr. TYDINGS. Does not the Senator think our treatment of Canada is very generous when we send 11,000,000 tons into Canada as against 50,000 tons coming in here?

Mr. REED. They put a tariff on our coal going into Canada. The Senator will understand that reciprocity began in advance under this suggestion.

Mr. TYDINGS. But the Senator is going to be generous enough to let 50,000 tons of coal come from Canada in every year without any tariff in the hope that our 11,000,000 tons can go into Canada without paying the tariff?

Mr. REED. I rather hope so.

Mr. TYDINGS. Does not the Senator think that Canada will probably have something to say about it?

Mr. REED. I do not see why Canada should mind this arrangement, because it does not apply to her in the slightest.

Mr. ODDIE. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nevada?

Mr. REED. I do.

Mr. ODDIE. I should like to ask the Senator from Pennsylvania if he does not believe that under the 5-year plan Russia will soon be able to send into this country an enormously increased tonnage which will be decidedly injurious to the American coal industry?

Mr. REED. Yes, Mr. President; I think that the ability of Russia to export coal will increase fairly constantly. I do not know that I would say an enormous quantity, but certainly enough to disrupt the markets in eastern United States, along the coast.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. I understood the Senator to say that Russia is now, according to the last figures, exporting to this country about 216,990 tons of anthracite.

Mr. REED. That is what she sent in last year.

Mr. BORAH. That is less than a single day's production in the United States.

Mr. REED. That, of course, is less than a single day's production of all kinds of coal in the United States; yes.

Mr. BORAH. No; of anthracite.

Mr. REED. I do not think so.

Mr. BORAH. I think the Senator will find that it is.

Mr. REED. I have not calculated the figures. I know, however, that the imports of Russian anthracite into northeastern United States constitute about 10 per cent of all the anthracite that is burned in the Massachusetts or Boston area; and the effect of these importations upon the price of all fuels throughout New England is felt far back from the coast, in country into which the Russian coal has not actually come.

If the Senate will bear with me for a very few minutes, I should like to describe the troubles through which we have gone in the effort to stop this Russian anthracite from coming in.

All of the coal that comes from Russia is mined in a basin called the Donetz coal basin in southern Russia. Whether it is mined by forced labor within the meaning of our tariff law of 1930 is a question which we have debated with the Treasury Department for the last couple of years. We have proven by American engineers who have lived there since 1928 that the coal miners who work down there in that basin live in barracks guarded by soldiers; that the miner is theoretically free to leave the barracks, theoretically free to leave that employment, but that if he does leave it he can secure no other employment, and he can not secure the bread cards and food cards that entitle him to his subsistence. Theoretically, I say, he is free to leave. Practically he can not get a passport to migrate from Russia; practically he can not get any other job; and, practically, he can not get anything to eat if he gives up the job by exercising his theoretical right to leave. It is perfectly true that he does not work in chains, and it is probably true that nobody will shoot him if he undertakes to walk away from a mining district; but just as surely as the sun rises he will starve, because he can not get anything to eat, and he can not get any other work.

We have proved that to the Treasury Department, to the apparent satisfaction of the Commissioner of Customs. We have proved it to the satisfaction of everybody except the Secretary of the Treasury.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nebraska?

Mr. REED. I yield to the Senator.

Mr. NORRIS. The way the Senator describes it, the Russian coal miner is still in better shape than the coal miner in the United States who has an injunction hanging over him not to quit work.

Mr. REED. I am happy to say that there are not any such injunctions in Pennsylvania.

Mr. President, under the tariff law of 1930, if it can be shown to the satisfaction of the Treasury that an article is produced by convict or forced labor, it is the duty of the Treasury Department to put an absolute embargo upon the importation of that article. I am not going to weary the Senate with a narration of the competitive troubles of our American coal mines in trying to sell coal along the coast where that Russian coal is offered. I can put it all in a nutshell if I say that the Russians have over and over again stated that whatever price we quote they will quote 25 cents a ton less. That is pretty stiff competition for American miners to meet.

It is all right to call attention to the total production of coal of all kinds in the United States of America and to say that this eight hundred and odd thousand tons of imports constitutes less than one-fifth of 1 per cent. That is true; but it is like a toothache. A very small spot can give a very big pain; and that is what this importation of Russian coal is doing to the anthracite coal-mining industry of the United States.



Mr. DAVIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to his colleague?

Mr. REED. I do.

Mr. DAVIS. Is it not a fact that if the coal that is now coming in from Russia and Indo-China were mined in the anthracite region of the United States it would mean work for a thousand men every day in the year for the next year?

Mr. REED. I think it means more than that, Mr. President. I am told by a representative of the anthracite service that if we take into account the importations of oil also, they have displaced 60,000 men, which, at the rate of 270 days per year per man, amounts to 16,200,000 workdays, and means a loss of income to American workingmen of \$64,800,000. That includes oil, of course.

Mr. DAVIS. I am not referring to how oil has displaced the coal miner, but to the actual coal that is imported into the country.

Mr. REED. I did not catch the figure. How many men did my colleague say would be displaced?

Mr. DAVIS. A thousand men working every workday during the year. With the long lines of people asking for relief in the hard-coal region it is a question as to whether we are going to have the thousand men working in the United States or in some other country.

Mr. REED. I thank the Senator; and yet, as he and I know the conditions in our coal regions, it means more than a thousand men. It means probably 2,000 men working half time, and 8,000 more people dependent upon them who to-day are going hungry.

Mr. ROBINSON of Arkansas, Mr. KING, and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. I do.

Mr. ROBINSON of Arkansas. Mr. President, is the pending amendment intended to impose an embargo against the importation of coal?

Mr. REED. No.

Mr. ROBINSON of Arkansas. Then why does the Senator argue that the adoption of the rate carried in the amendment will give employment to the very large number of men he has referred to?

Mr. REED. It will give employment to a very considerable number, because it gives us a chance in that competitive market, which we have not to-day. The cost of bringing that coal over in soviet ships—and that is what they use—plus this duty of \$2 per short ton, will just about equalize the railroad cost of taking that coal from Scranton to Boston. That sounds incredible, but one can transport coal from the Black Sea ports to Boston as cheaply as it can be sent from Scranton to Boston under the present level of railroad rates in this country.

Mr. TYDINGS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Maryland?

Mr. REED. I yield to the Senator.

Mr. TYDINGS. What percentage of the Russian coal is now going into Canada?

Mr. REED. I do not know.

Mr. TYDINGS. Does not the Senator believe that if we put the tariff that he proposes on Russian coal coming into America that coal will immediately displace and perhaps in time take over the entire Canadian market, because by our tariff policy we will encourage the Canadians to buy the cheapest coal?

Mr. REED. There is not any sign of it yet; and certainly the coal can not come to us through Canada.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator pardon me?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. There could not be a sign of it until the duty was imposed; but it would be a natural result that if we impose this comparatively high tariff on

coal from Russia she will take it to our best customer on the north and sell it there to the Canadians, and we will lose our trade both with Canada and with Russia.

Mr. KING. Mr. President—

Mr. REED. I am advised by my colleague [Mr. DAVIS], who knows more about coal in a minute than I do in a longer time, that Canada now has a duty of 75 cents a ton that applies against Soviet coal as well as American coal.

Mr. KING. Mr. President, will the Senator yield?

Mr. REED. Yes.

Mr. KING. I was going to ask the Senator how many men we are displacing in Canada by shipping to her anthracite coal amounting to 3,760,000 tons annually.

Mr. REED. I do not think Canada produces anthracite coal.

Mr. KING. Oh, yes; she produces some anthracite coal.

Mr. REED. Not in large quantities, certainly.

Mr. KING. And obviously if, as indicated by the Senator from Maryland, we drive out of our market Soviet Russia, although she ships but little here, she will capture the market in Canada.

Mr. REED. I am not sure that is obvious, with the Canadian duty; but I do not know.

Mr. KING. I was going to ask the Senator one other question, however, if he will pardon me. In view of the question propounded by the Senator's colleague as to the number of men that would be thrown out of employment by reason of this Russian coal—

Mr. REED. Not "would be," but "have been."

Mr. KING. I was wondering how many American citizens, men working in factories and in mills, have been thrown out of employment during the last year or two years by reason of the diminution of our exports to Russia.

A year or two ago Russia was buying from us more than \$70,000,000 worth of goods, principally fabricated and semi-fabricated products. Now she is buying but little, because of our tariff and other policies. So we, by reason of losing that Russian market, have driven out of employment a large number of Americans, thousands and perhaps tens of thousands, who worked in factories and mills in order to supply the exports that went to Russia.

Mr. REED. Russia is like most human beings in this world. She buys where it is to her selfish interest to buy, and where she can buy the cheapest. In order to pay for the purchases that have been necessary under her 5-year plan, she has been dumping things like the Donetz coal anywhere she can find buyers, and her conduct has not been influenced in the least by our trade policy toward Russia. She has been desperately anxious to establish dollar credits and pound credits and franc credits and whatnot.

Mr. TYDINGS. Mr. President—

Mr. REED. I yield to the Senator from Maryland.

Mr. TYDINGS. A moment ago the Senator made the statement that Canada now levies a tariff of 75 cents a ton against American and soviet coal.

Mr. REED. I am so advised.

Mr. TYDINGS. This bill levies a tax of \$2 a ton against soviet coal, does it not?

Mr. REED. That is right.

Mr. TYDINGS. In other words, then, there will be a differential in favor of the Russian selling to the Canadian, where we now have an outlet for 11,000,000 tons of our coal, of \$1.25 a ton as against the United States.

Mr. REED. The Senator can figure that out to suit himself.

Mr. TYDINGS. If the Senator will yield just a moment, I make the prediction here and now that it will not be two years before the American coal industry will find that the Russian exporter of coal has taken the Canadian market from it.

Mr. REED. The answer is that on the coal which goes into Canada from Ohio, and West Virginia, and Maryland, and Pennsylvania, and up across the Great Lakes, the carriage is very much cheaper than the cost of carrying the Russian coal so far inland.



Mr. TYDINGS. Why pass the tariff provision against Russian coal, then? Russian ships can be sailed up the St. Lawrence.

Mr. REED. They can not deliver into the upper Lake ports for anything like the same rate of freight for which they can deliver on the seaboard.

Mr. TYDINGS. But the point I make is that a large industrial part of Canada can be reached from the sea, at least a great deal of it.

Mr. REED. It is a very difficult process, a long and expensive one.

Mr. TYDINGS. It is a shorter journey from Russia to Canadian ports than it is from Russia to American ports.

Mr. REED. It depends on what Canadian port one is talking about.

Mr. TYDINGS. Up the St. Lawrence is closer than the ports of Philadelphia or New York or Baltimore.

Mr. REED. These industrial plants are not up the St. Lawrence; they are on Lake Erie and Lake Huron.

Mr. DAVIS. Mr. President, I wanted to say to the junior Senator from Utah [Mr. KING] that the Canadian Government is now granting a subvention of 20 cents a ton on coal, and also, as I understand it, the railroads are granting three-eighths of a cent a mile to bring the coal from the Province of Nova Scotia and from the western Provinces to their central market.

Mr. KING. Mr. President, I have here the order in council which was issued.

Mr. DAVIS. I am familiar with that order in council.

Mr. KING. I was not sure that the Senator was.

Mr. DAVIS. I think the Senator from Georgia [Mr. GEORGE] presented it yesterday.

Mr. KING. I had it and handed it to the Senator from Georgia, who presented it. I am glad the Senator from Pennsylvania has become acquainted with it. I challenge his attention to another fact which the Senator from Georgia put into the RECORD yesterday, that the premier of British Columbia has gone to Ottawa and is there proposing to impose a tariff of \$5 a ton upon American coal, our bituminous and other coal, which will, of course, be prohibitive. So that we will lose a market for eleven to sixteen million tons of bituminous annually.

Mr. DAVIS rose.

Mr. KING. That is not all, if the Senator will wait a moment. In addition to that they propose to place an inspection upon our citrons and other fruits, and they propose to put a prohibitive tariff upon oil. Canada has been buying from the United States considerably more than \$100,000,000 worth of oil and gasoline annually. We are going to lose that market by reason of this foolish and unwise policy we are about to pursue in the Senate of the United States and in the Congress of the United States.

Mr. REED. Mr. President, that has nothing to do with the tariff on coal, has it? This tariff does not apply to Canada at all.

Mr. KING. I doubt what the Senator says.

Mr. DAVIS. Mr. President—

The VICE PRESIDENT. The Senator from Pennsylvania.

Mr. GEORGE. It applies to Canadian lumber, and it applies to other Canadian products.

Mr. REED. We are not talking about lumber now; we are talking about coal.

Mr. WALSH of Massachusetts. Mr. President—

Mr. DAVIS. I would like to say something to the Senator from Utah.

Mr. WALSH of Massachusetts. May I have the floor?

The VICE PRESIDENT. The junior Senator from Pennsylvania has the floor. The senior Senator from Pennsylvania yielded the floor and the Chair recognized the junior Senator from Pennsylvania, who now has the floor. The Chair will request those desiring to interrupt to please address the Chair, so that there will not be two or three Senators talking at the same time.

Mr. BARKLEY. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. DAVIS. Let me speak for just a moment for the benefit of the junior Senator from Utah.

Mr. KING. I am sure it will benefit me.

Mr. DAVIS. In Nova Scotia, I understand, it costs \$4.20 in order to get coal to the tippie, because they have to bring it about 2 miles from under the sea, and I would not be a bit surprised if this extra tax were not imposed by the Canadian Government for the purpose of protecting that coal in Nova Scotia, because if they shut down the mines in Nova Scotia there are communities which will be wiped out.

Mr. KING. May I say to the Senator, if he will yield, that the proposition of levying \$5 a ton does not come from the east, but from the western part of Canada, where they ship about 160,000 tons annually to the United States.

Mr. DAVIS. But they could not put a tax on in Canada without affecting all of Canada.

Mr. KING. I understand that. Of course, that is obvious.

Mr. BARKLEY. Mr. President, I wanted to ask the senior Senator from Pennsylvania a question, as to whether under his interpretation of the language of the Senate committee amendment this item would not apply between the United States and Canada?

Mr. REED. It is clear that the Canadian coal would not be subject to the duty.

Mr. WALSH of Massachusetts obtained the floor.

Mr. GEORGE. Mr. President, will the Senator yield for just a moment?

Mr. WALSH of Massachusetts. I am going to occupy the floor for but a moment or two.

Mr. GEORGE. I merely want to make this statement, that it makes no difference whether this tariff will apply to Canadian coal or not. The companion tariff to this coal tariff, which applies to Canadian lumber, is already the subject matter of protest, and already the announcement has been made that Canada will apply her tariffs where she pleases, that although we are treating her coal fairly, she does not think we are treating her lumber and other products fairly. I put into the RECORD last night a statement of the Premier of Canada that he proposes a duty of \$5 a ton on American coal.

Mr. WALSH of Massachusetts. Mr. President, this issue is a very, very narrow one. We have very properly heard from the mine operators, who have lost some business to the consumers of anthracite coal in New England, particularly in and about the port of Boston.

There are two reasons for it which ought to dispose of this whole question. First, the consumers in New England resorted to the purchase of some anthracite coal from Russia and Wales because they were disgusted with the character of anthracite coal they were getting from Pennsylvania due to its inferior qualities.

The second point, an unanswerable one, is that the Russian coal is superior to the Pennsylvania coal and actually costs from 50 cents to \$1 a ton more. That is not my statement. I read the evidence presented in a letter from the Massachusetts Chamber of Commerce, dated April 23. It is as follows:

MASSACHUSETTS CHAMBER OF COMMERCE,  
Boston, Mass., April 23, 1932.

Hon. DAVID I. WALSH,  
Member Finance Committee,  
United States Senate, Washington, D. C.

MY DEAR SENATOR: In determining its opposition to the proposed tax upon imports of anthracite coal, the Massachusetts Chamber of Commerce has endeavored to base its action upon an intelligent understanding of the probable effect of this tax upon New England.

According to advices from numerous wholesalers of domestic coal, previous lack of competition in the high-grade fuel field resulted in New England being regarded as a dumping ground for so-called second and third class anthracite for several years. Since the advent of imported coal the quality of domestic coal sent to New England has necessarily been far superior to that available prior to that time. Producers of domestic coke have found it necessary to materially improve their facilities and product in order to meet this new type of competition. Some of our larger distributors who handle domestic coal exclusively advise us the quality of household fuel available to New England would immediately deteriorate as soon as a prohibitive tax is placed upon coal imports.



It has been suggested, as an opinion secured through numerous contacts, that the rapidly increasing popularity of imported coal might in the course of time result in a decrease in the exorbitant freight rates now charged for coal transport to New England from the Pennsylvania fields.

It seems to be generally agreed by both consumers and retail distributors that the imported coal is of a quality superior to the domestic article. Those consumers who have become accustomed to it would naturally prefer to continue its use. It is admitted they could revert back to domestic coal with reasonably satisfactory results, provided the quality after the shutting out of imported coal by a prohibitive tariff would be comparable with that now available. However, we do not find anyone who is confident that favorable situation would be maintained.

We believe we have established personal contact with all coal importers in New England. These are unanimous in their opinion that the proposed tax would be virtually an embargo and immediately put a stop to all coal imports. Three large importers state it would immediately put them out of business. Others who also handle domestic coal state it would clean up the importing branch of their business.

This letter is being written with the thought that the reasons for the opposition of the Massachusetts Chamber of Commerce to the proposed tax on coal imports may be of interest. It is offered for the purposes of information only, and does not necessarily require an acknowledgment or reply.

Very truly yours,

C. C. MOWRY, *Secretary.*

That is signed by the secretary of the Massachusetts Chamber of Commerce.

Mr. President, let us revert to the record of imports, and see from what countries the coal comes. In the year 1931 the imports of anthracite coal amounted, as has already been stated, to 569,599 tons, from the following countries:

	Tons
Belgium.....	12,790
Germany.....	22,107
Great Britain.....	305,495
Russia.....	216,999

Let me add that anthracite from Great Britain, as well as anthracite from Russia, is imported into Boston.

	Tons
Canada.....	2,207
Mexico.....	133

The total is 569,599 tons.

Mr. President, I now call attention to another table, showing the imports and exports during the period of the last three years, which shows that there has been no appreciable increase in the imports of anthracite coal.

In 1929 the imports of anthracite were 434,975 tons. In 1930 they were 634,169. In 1931 they amounted to 569,599.

The exports of anthracite coal were:

	Tons
1929.....	3,041,401
1930.....	2,278,267
1931.....	1,587,775

The imports were only one-third of the total exports of anthracite coal.

Mr. President, the purpose of this legislation is to give an absolute monopoly to the anthracite mines which are located in the State of Pennsylvania and occupy an area approximately 3 miles in width and 100 miles in length, where, as a matter of fact, these very mines have a virtual monopoly under existing conditions.

A tariff on anthracite coal has never been written into any tariff bill in the history of this country. Should this bill be enacted the present high prices would be maintained against a necessity of several million consumers of anthracite coal in the eastern section of the United States where anthracite coal is used for heating the homes. This tariff, in the language of the supporters themselves, is not offered for revenue but for embargo and protection. It is clearly an effort by an industry powerful in its ramifications already in control of 99 per cent of the business to completely monopolize and to eliminate competition and under the guise of protection demand votes from those committed to honest protection policies.

According to Department of Commerce figures, the amount of anthracite imported into the United States is less than 1 per cent of the amount of anthracite produced in the United States (bituminous coal is not a factor in this bill

because 174,000 gross tons of the total imports of 176,000 gross tons came from Canada in 1931, and we export sixty times as much coal to that country as we import from it—to wit, 1,580,000 gross tons anthracite and 9,350,000 gross tons bituminous, or a total of 10,930,000 gross tons). By excluding the imported coal the potential domestic market will be enlarged only by one-fifth of 1 per cent:

	Gross tons
Total importations, 1931.....	836,769
Total exports, 1931.....	13,088,259
Total importations, 1931, anthracite.....	570,000
Total exports, 1931, anthracite.....	1,580,000

Mr. FLETCHER. Mr. President, I am prompted to inquire, if there is no duty on coal from Russia to Canada, and no duty from Canada to the United States, whether it is not possible and practicable for those countries to send their coal to Canada, and then have it come from Canada here, without the payment of any duty?

Mr. WALSH of Massachusetts. I assume it is.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. In a moment. Something has been said about Chinese coal. One shipload, 5,000 tons of anthracite coal, came here in 1931 from China, and the expense of hauling the coal that distance was so high that that has been abandoned. Yet one of the arguments for a tariff is the threat of importations of coal from China.

Mr. TYDINGS. Mr. President, I am unable to follow this debate. If the senior Senator from Pennsylvania [Mr. REED] will give me his attention, he said a moment ago that the imposition of this tariff would result in putting about 2,006 men in the United States to work digging out the coal which would replace that which now comes from Russia. Then, when he was asked the question, "Will not this coal come in anyhow?" he said, "Yes; it will come in anyhow." So we have both sides of it. First, it will not come in, and these 2,006 men will be put to work, and then it will come in anyhow, and there will be the revenue.

Mr. REED. I am so sure of the Senator's good understanding that I can only conclude he was not listening carefully.

Mr. TYDINGS. The Senator may be right.

Mr. REED. Undoubtedly this tariff will act as a check upon the imports. Undoubtedly it will not act as a complete embargo.

Mr. TYDINGS. To what extent will it act as a check?

Mr. REED. I am not competent even to guess.

Mr. TYDINGS. The Senator does not mean he has considered a duty that will check these importations?

Mr. REED. Yes.

Mr. TYDINGS. To what extent?

Mr. REED. I should be very happy if it would be one-half.

Mr. TYDINGS. Then if it be one-half, it will only affect one-half of the number of men employed.

Mr. REED. Yes, naturally.

Mr. TYDINGS. Then it will only raise one-half of the revenue that has been expected?

Mr. REED. Oh, no.

Mr. TYDINGS. That is on the basis of the total importations?

Mr. REED. I beg the Senator's pardon. The total importations from Great Britain and from Soviet Russia were 400,000 tons last year, and the coal is coming in faster now. The Treasury's figure of \$500,000 of revenue was based on an estimated importation of 250,000 tons.

Mr. TYDINGS. The Senator himself said that he expects this rate will stop over half of it from coming in.

Mr. REED. I hope it will.

Mr. TYDINGS. Then if we got 400,000 tons last year we will only get 200,000 tons this year at most.

Mr. REED. Oh, not a bit of it. We are getting it right now at the rate of half a million tons a year. It has been increasing.

Mr. WALSH of Massachusetts. Mr. President, there is another feature of the coal question which ought to be called to the attention of the Senate and particularly the attention of the Senator from New York [Mr. COPELAND]. Everyone



in this Chamber will agree that commodity prices have dropped, and dropped very sharply. There is one commodity for which prices have not dropped, and that is anthracite coal. The wholesale price of anthracite coal in New York City in 1929 was as follows: Pea coal, \$8.75 a ton, and buckwheat, \$7.15. In 1930 pea coal was \$9.25 a ton and buckwheat \$7.15. In 1931 pea coal was \$10.50, against \$9.25 in 1930 and against \$8.75 in 1929, while buckwheat coal was \$7.50 in 1931, against \$7.15 in 1930 and in 1929.

These figures are astonishing in view of the sharp decline in commodity prices throughout the country. It is because the anthracite coal industry is a monopoly. They have no competition. They have it in Boston because of the superior quality of the Russian coal and because the people of that vicinity have protested against the inferior domestic coal they were receiving for many years. It is only fair to say that there has been a decided improvement even in the domestic coal since competition came into the field. Of course, when competition exists there is an improvement in the quality and there is promise of a decrease in price.

Senators from the mining section have presented their case. I have tried to present the views of the consumer in my section of the country. Suppose both sides are mistaken. Suppose both have exaggerated. Suppose Senators can not decide the precise facts as presented by either side. Is not the right thing to do to let the situation remain as it is and has been always and impose no duty upon coal?

Mr. DAVIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Pennsylvania?

Mr. WALSH of Massachusetts. Certainly.

Mr. DAVIS. I wish to ask the Senator a question. Did I correctly understand the Senator to say a moment ago that Russian coal is superior to American anthracite?

Mr. WALSH of Massachusetts. I read a letter from the Massachusetts Chamber of Commerce, and I was impressed—and I think everyone must have been impressed—with the impartial character of it. There seemed to be no bias or prejudice. They simply stated the fact. They say that the foreign coal is superior. They say from their investigations among those who have been using it, it is superior, and all the advices that come to me from those who are interested make that same assertion. I have no question about it myself. An ex-Congressman who was in Washington recently interested in preventing this duty told me that he himself had used Russian anthracite coal and he could certainly bear testimony as to its superior quality.

Mr. DAVIS. The people of New England would not want to buy foreign coal just because it was better than local coal, I am sure.

Mr. WALSH of Massachusetts. I do not think there is any danger of the people of New England abandoning the anthracite coal of Pennsylvania. I think we still find it useful and easy to obtain, and that deliveries can be made promptly. I think the market for anthracite coal from Pennsylvania will always remain in New England. We found a little competition beneficial. Indeed, over 93 per cent of the anthracite coal consumed in New England—7,000,000 tons—is domestic and only 7 per cent is foreign coal.

Mr. DAVIS. It has been said many times that British woolen goods are far superior to New England's woolen goods.

Mr. WALSH of Massachusetts. I think some of them are, and if Americans want to pay more for them, they should have them.

Mr. DAVIS. Yet we have given protection to the New England woolen industry.

Mr. NORRIS. Mr. President, as I remember it, the Senator from Massachusetts stated that Russian coal in Boston commands a higher price than Pennsylvania coal.

Mr. WALSH of Massachusetts. Yes; from 50 cents to a dollar a ton.

Mr. NORRIS. If the people are buying it and paying more money for it, that would be pretty good evidence that they believe it is better. Perhaps that is not good logic, but it looks like a logical proposition.

Mr. BORAH. That is good logic in New England.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

Mr. BORAH. Mr. President, the anthracite coal in this country is owned and controlled and distributed by a monopoly or a monopolistic combination. The history of the business discloses that. The United States Government has had to make laws for the purpose of trying to control that monopoly. We have changed our transportation system for the purpose in some respects of limiting to some extent the power of that monopoly. We are now asked to put on a tariff for the purpose of aiding that monopoly. I wonder if that is a sound position for us to take?

Here is a great natural resource, indispensable to the welfare of the people of this part of the country, owned and controlled by a great monopoly, with power to fix prices so it can fix the price against this exceptional depression, and yet we are putting on a tariff.

Mr. DAVIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Pennsylvania?

Mr. BORAH. I yield.

Mr. DAVIS. I do not quite understand that it is a monopoly. There are competing companies in the anthracite region. There must be more than half a dozen companies there competing for the business of supplying anthracite coal.

Mr. BORAH. Do they not all sell at the same price?

Mr. DAVIS. I do not think so. I think there is competition among them.

Mr. BORAH. There is no competition that ever reaches the point where it reduces the price below that which is agreed upon by all.

Mr. DAVIS. Of course, they do not want to reduce the price below the cost of production.

Mr. BORAH. No; I would not expect that, of course. Even if there was competition, I would not expect them to reduce it to that point.

Mr. DAVIS. I know that prices have come down on anthracite coal.

Mr. REED. They have come down within the last month. They do not undersell one another if they can help it.

Mr. DAVIS. There have been two or three reductions in the price of anthracite coal during the last year and a half.

Mr. BORAH. Any reduction that took place, however, took place by reason of agreement among the people who are producing anthracite coal. This fuel, so essential, is now controlled, I venture to say, by a monopolistic combine. There may be half a dozen companies—I do not know anything about that—but they control the price of it and we are asked to put a tariff on in addition to that.

Mr. HARRISON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. HARRISON. May I ask the Senator a question? When this provision was written in by the House it applied to bituminous coal as well as anthracite coal, and there was no provision, such as that which is incorporated now on the recommendation of the Finance Committee, that it shall not apply to a country to which we ship more than is being shipped in of this particular article. Does the Senator recall any provision in any tariff law similar to this?

Mr. BORAH. I have no recollection of any such provision.

Mr. HARRISON. I do not think that anyone can cite any provision like that.

Mr. TRAMMELL. Mr. President, I would like to ask the junior Senator from Pennsylvania a question.

Mr. BORAH. Wait just a moment! I have the floor. I have no objection to answering questions myself, but I prefer not to have a debate between two other Senators while I have the floor.

Mr. TRAMMELL. I beg the Senator's pardon.

Mr. BORAH. In addition to the proposition I have already stated, which I think is true, there is now being imported from Russia about 216,000 tons, less than a day's production



in the anthracite-coal field. This is the menace against which we are going to impose almost an embargo. We have some coal coming from Great Britain, but all combined it does not amount to a three days' production in the anthracite-coal field. Does anyone think really and sincerely that the condition of labor in the anthracite-coal field is due to any condition or fact other than the absolute control of this matter by a monopoly, and that they fix the price and fix the wage also?

Mr. WATSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. Certainly.

Mr. WATSON. I do not know anything about the anthracite monopoly of which the Senator speaks.

Mr. BORAH. I do not see how anybody can be ignorant of the fact that we have an anthracite monopoly in view of what has taken place in legislation and of reports on file during the last 20 years.

Mr. WATSON. I am wondering, if there be such a monopoly as the Senator states, why it is not subject to the provisions of the Sherman antitrust law? Why can it not be prosecuted if there be an absolute monopoly that fixes the price of the output and if there be an agreement among all its producers? Why can not it be prosecuted under the law?

Mr. REED. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Pennsylvania?

Mr. BORAH. I yield.

Mr. REED. It is because it is much easier to make that kind of charges on the floor of the Senate than it is to prove them.

Mr. BORAH. The enlightenment which comes to me by reason of the remarks of the Senator from Pennsylvania will be very helpful in this discussion. I know it is easier to make the charge here, but it has been made in such a way that the legal department of the United States Government have taken notice of it. Why they do not prosecute I do not know.

Mr. WATSON. I do not know anything about it. I am just interested to find out whether or not there is a monopoly. If there be and notice has been taken of it, what notice has been taken of it by the department, and if any notice has been taken, why has not it proceeded to ultimate prosecution?

Mr. BORAH. I know it; and I could just as well say why have they not prosecuted a dozen other monopolies which could be named?

Mr. DAVIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the junior Senator from Pennsylvania?

Mr. BORAH. I yield.

Mr. DAVIS. I would not attempt to discuss the legal side of this matter with the Senator from Idaho.

Mr. BORAH. It is not a legal question. It is a question of fact.

Mr. DAVIS. I do know that if we continue to receive imports of coal from foreign countries it means idle men for us in our coal mines in this country. I do not believe in the bituminous industry we could have a monopoly any more than we could have a monopoly in agriculture.

Mr. BORAH. I am talking about anthracite, and for the present I would rather not get off on the subject of bituminous coal. The suggestions I have made relate only to anthracite.

Mr. President, let me call attention to another point: This amendment exempts or excepts coal coming in from Canada. Canada is now making a trade agreement with Russia. There is no reason under this amendment why anthracite coal from Russia should not go to the Atlantic coast from Canada just the same as it is coming now from Russia. In other words, in order to exempt Canada from the operation of this amendment, it has been made perfectly practicable and perfectly possible for this coal to come in from Russia by the way of Canada.

Let us see what is the situation. There has been some testimony taken before the Treasury Department. I invite attention to the testimony of Mr. Oswald. He and his partner in Boston, as I understand, are the sole importers of Russian coal into the United States. There is just one firm importing coal from Russia, and that is the firm of which I am now speaking.

Mr. REED. Mr. President, will the Senator permit a question?

Mr. BORAH. I will.

Mr. REED. Is it not a fact that the Belknap outfit have a monopoly agreement with the Russian Government by which they are made exclusive agents?

Mr. BORAH. I do not know as to that. Possibly it is so. One can find a monopoly anywhere almost in the coal business.

Mr. BELKNAP. We appreciate this opportunity to be heard. Governor Lowman, and we shall try to proceed as expeditiously as possible. First I shall call upon Mr. Oswald. Mr. Oswald, will you please state your full name, your position, and your address?

Mr. OSWALD. George P. Oswald, vice president of the George E. Warren Corporation, headquarters 2732 Grand Central Terminal Building, New York, N. Y.

Mr. BELKNAP. What business is the corporation engaged in?

Mr. OSWALD. Buying and selling coal.

Mr. BELKNAP. You are merchants?

Mr. OSWALD. Operators, merchants, and agents.

Mr. BELKNAP. How long have you been in business?

Mr. OSWALD. About 30 years.

Mr. BELKNAP. Do you sell American anthracite and bituminous coal?

Mr. OSWALD. American, foreign, and bituminous.

Mr. BELKNAP. American anthracite, American bituminous, and foreign anthracite; is that correct?

Mr. OSWALD. That is right.

Mr. BELKNAP. Does your company import anthracite coal from Soviet Russia?

Mr. OSWALD. We do.

Mr. BELKNAP. When did you start making such importations?

Mr. OSWALD. We started our negotiations in the fall of 1928. We brought the first coal here in the spring of 1929.

Mr. BELKNAP. Approximately how many tons did you ship into this country during the year 1931?

Mr. OSWALD. In 1931 we shipped approximately 230,000 tons.

Mr. BELKNAP. Will you state, if you know, what percentage of the total American anthracite production during the year 1931 that represented?

Mr. OSWALD. Approximately one-half of 1 per cent.

One-half of 1 per cent of the anthracite production of the United States.

Mr. BELKNAP. Will you compare the relative prices at which you sell your Russian anthracite and your American anthracite to dealers?

Mr. OSWALD. Our price to dealers on the foreign anthracite is based on the price of American anthracite.

Mr. BELKNAP. Is it higher or lower than the price at which you sell your American anthracite to dealers?

Mr. OSWALD. Our price to the dealers is approximately the same as for the American anthracite, but on account of the quality the dealers get a higher price.

Mr. BELKNAP. How do you know that?

Mr. OSWALD. We know what our dealers are getting. We have it on file with the Department of Commerce; and we sent at their request around 200 letters from representative dealers all over New England giving the prices at which they were selling Russian anthracite and the prices they were selling American anthracite. The premium for the Russian anthracite varied from, I think it was, a minimum of 25 cents a ton to, I believe, up as high as \$1.50 to \$2 a ton. The Department of Commerce made photostatic copies of those originals, and they have them on file.

Mr. BELKNAP. Am I correct, then, in summarizing your reply by saying that out of 200 letters from your dealers stating the prices they were getting for the Russian coal none showed a price under American anthracite; and the smallest excess over American anthracite was 25 cents and the largest was \$1.50 to \$2.

So, Mr. President, the coal coming in from Russia commands a premium of from 25 cents to \$1.50 or \$2 because of its superior quality. The effect of this amendment will be, of course, to preclude those who desire this coal from having it. Perhaps it will not preclude them entirely, because it is supposed by the Senator from Pennsylvania that some of it will still be imported, but that will be the tendency or will be the effect, generally speaking.

Mr. OSWALD. You are absolutely safe in saying that there was nothing under the price of American anthracite. I am only speaking from memory, fixing the premium.

Mr. BELKNAP. You are fixing the limitation?



Mr. OSWALD. I think that the limitation or range was a minimum of 25 cents premium and a maximum of somewhere around \$2, but I would have to look that up.

Assistant Secretary LOWMAN. This is all very interesting, but it has nothing to do with the issue here.

Mr. BELKNAP. I just wanted to lay the foundations and give you a picture of what these people were doing. Mr. Oswald, you yourself have not been in Russia since the fall of 1929, is that correct?

Mr. OSWALD. That is correct.

That, Mr. President, seems to establish conclusively the superior quality of the coal which is coming in, and it seems to establish the fact that such coal is not underselling the American anthracite. It is not beating down the price of the domestic article. If there is cheap labor in Russia, it is not evidenced by the price which is being paid in the United States for that coal.

Mr. REED. I am surprised, Mr. President, to hear a lawyer so able as is the Senator from Idaho charge crimes such as violations of the Sherman law without adducing any proof of the crimes which he charges. If there does exist in the anthracite region such a monopoly as he asserts, it is a crime under the statutes of the United States. For 20 years and longer the Department of Justice, spurred on by Congress, has been bedeviling the anthracite companies and the anthracite-carrying railroads, and by legislation which we have adopted the Government of the United States has compelled a complete separation of the railroads from the mining companies. All manner of proceedings under the antitrust laws have been instituted, and for many years it has been a favorite stump argument and a favorite congressional argument to say that the anthracite regions were governed by a monopoly, but there never is furnished any proof of that assertion.

The best proof that there is no monopoly in that industry is furnished by the results of the operation of their business. I am told that in the boom year of 1929, when everybody, whether a monopoly or not, seemed to be making money, the anthracite companies collectively showed a net profit of 0.79 of 1 per cent on the value of their production. If they had a monopoly, can anyone imagine such restraint as obtaining a profit so infinitesimal as about three-quarters of 1 per cent on the gross of their production? On their invested capital, as determined by the Interstate Commerce Commission, the earnings of the anthracite companies in that boom year of 1929 were less than one-half of 1 per cent on their invested capital. And since 1929, in 1930 and 1931 and the early months of the present year the anthracite companies earned less than nothing on their invested capital, but on the contrary have shown a deficit each year. What monopoly shows any such record as that? If this industry were a monopoly, which it is not, it would be the most impotent and helpless monopoly the world ever saw, that can not earn one-half of 1 per cent on its investment in a boom year and can not earn anything in the years that have followed 1929.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Nebraska.

Mr. NORRIS. I should like to ask the Senator if the only competition that the anthracite operators have is not bituminous coal.

Mr. REED. By no means. They have the competition of the bituminous coal from the Virginia fields and the northern fields—

Mr. NORRIS. I understand that.

Mr. REED. They have the competition of the oil from the Texas region and from Venezuela; they have the competition of coke, which comes at them from all directions and which affords a smokeless fuel which is really competitive with anthracite; and they have the competition of hydroelectric power, which, as the Senator knows, is available throughout practically all the eastern portion of the United States.

Mr. NORRIS. I have often read and heard people say—I have no personal knowledge of it, of course—that during the war cities, for instance, such as Washington, which prior to that time had prohibited the use of bituminous coal on account of its smoke had abandoned it as a matter of necessity during the war, and that that had been going

on more or less all over the country, just as it happened here in Washington, where we did have some personal knowledge of it.

Mr. REED. I think that is true.

Mr. NORRIS. That trend was all to the detriment of anthracite coal, and, having lost the field, I have been often told that that was the reason why the anthracite producers found themselves in a distressful condition. That would apply to them, whether they were a monopoly or whether they were competing among themselves.

Mr. REED. Certainly; the anthracite industry has had to take one blow after another since before the war. In the first place, the anthracite industry is completely unionized. It is the only extensive coal region of the United States about which I know anything that is 100 per cent unionized. That forces a relatively high scale of wages. Then, there have been a good many labor troubles, which have resulted in intermittent supply due to interruptions with the service. Then there has been a surplus of oil in the United States. Then there has been developed a remarkably fine deposit of low-volatile coal in the Pocahontas field, which burns almost as completely without smoke as does the anthracite. There is a combination of all those factors, and in addition, the invention of the oil furnace and the oil burner. So people have turned more and more from this fuel, although it is an ideal fuel. The anthracite industry has had its troubles right along. But as for its being a monopoly, we only have to look at our newspapers to see how the different anthracite producers advertise to compete with one another; we only have to open the circulars that come to our houses to realize the competition between the different varieties of anthracite; we only have to talk to operators in the anthracite region to realize how hard they are trying to get one another's business. I assure the Senator that if he would go to Scranton and through the anthracite region, he would come away with the conviction that while anthracite may be a mighty poor investment, it certainly is not a monopolized industry.

Mr. President, the argument is made that because of this supposititious monopoly in Pennsylvania we should refrain from putting a tariff on soviet coal. If on the face of this globe there ever was a monopoly it is in Soviet Russia.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Louisiana?

Mr. REED. I yield.

Mr. LONG. I understood the argument was made here a few moments ago that there was a better coal produced in Soviet Russia than American coal, and that American purchasers are entitled to the best coal. As a matter of fact, there are some far better fruits produced in Mexico than are produced in Florida. There are better fruits produced below the Rio Grande Valley than can be produced in Florida, but that did not prevent the representatives of the State of Florida from coming here and getting a tariff on all their fruit products.

Mr. REED. If that is the question—and a question is all I yielded for—I will answer the Senator and say, No; it did not.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. REED. Just a minute. Let me finish.

Mr. TRAMMELL. I wish to say that nobody in America knows that except the Senator from Louisiana. He is the only one who possesses that character of judgment.

Mr. REED. Mr. President, turning from Florida back to Russia, the Senator from Idaho [Mr. BORAH] has undertaken to attack the Pennsylvania anthracite industry as a monopoly. Now, let us see what the industry is that he is defending.

There is a monopoly, stained with blood, having no capital investment, because every acre they mine and every tippie they use in mining was stolen from the original owners; and no one dares to enter business against them. Labor is forced to work as slaves—literally slaves—in their mine. The tipples are manned by slaves. Their cars and their ships are loaded by slaves—men who would starve, who can not find



any other employment. What wonder that they can sell for less than Pennsylvania can sell and send over the specially picked coal which pretends to have a higher quality because some slaves picked it over to make it look of better quality? What wonder that they can undersell us when their capital charge is zero, when their interest charge is zero, when the poor devil who used to own the mines is rotting in his grave because they killed him as they stole from him? And we are asked to refuse this tariff on the ground that there is an imaginary monopoly in Pennsylvania, and all for the enrichment of a blood-stained monopoly in Soviet Russia!

Mr. BORAH. Mr. President, there is no blood-stained monopoly in Great Britain; and the Senator from Pennsylvania would be the last man to intimate it.

Now, let us see about the blood-stained monopoly in Russia.

The Senator from Pennsylvania, like myself, has never been to Russia. I want to read a paragraph from Charles A. Gill, superintendent of motive power of the Baltimore & Ohio Railroad Co. He says:

Labor turnover continues to be a great problem, as the average Russian desires to travel and see what is going on in the various parts of his country. Increased wages and more attractive living conditions are helping to solve this problem. However, labor turnover in some of the railroad shops with which I was connected was so great that it was necessary to offer premiums and other inducements to keep the men from leaving. We had a total of 200,000 men, divided between the back shops and roundhouses, and a total of over 1,084,000 men in all branches of railroad service, which represents one of the largest organizations in Russia. As I was closely connected with the details of the various departments, as well as with other American engineers who handled different departmental work from time to time, I can freely declare that there was absolutely no evidence of forced labor.

What reason is there to doubt this man's statement? He is in the employ of one of the great corporations of the United States. He is a man responsible as to position and as to character. He has been there. He was in a position to know.

From my general observations of labor conditions in the Soviet Union I can state that while in some respects these conditions differ from those in the United States, the Russian worker is free at all times to quit his job and apply elsewhere for work.

There might be a great deal more evidence of that kind produced, but I think it is unnecessary.

The Senator from Pennsylvania seems to think that I was outside of the proprieties of the situation in saying that there was a monopoly, and thereby charging a crime. Monopoly is in a sense a crime, although in modern society it is no longer regarded as an odious one. It is rather a popular one. Nobody takes umbrage at being called a monopolist. It is rather a badge of honor and distinction in some respects. I certainly did not mean to charge a crime in the sense in which we ordinarily use that term; but I repeat that, in my judgment, the evidence is at hand to disclose that the anthracite coal field of this country is in the control of a monopoly which fixes prices. It is in control of a combination which fixes the prices at which its members sell coal, and it is a combination which agrees upon the wage which is to be paid. Whether it technically comes within what the Department of Justice would regard as necessary in order to prove it, I do not know; but for the purpose of legislation, in arriving at what is just and equitable in this situation, it is a monopoly.

As to bloodstained workmen, there have been some in Pennsylvania. We had an investigation here a year and a half ago which disclosed conditions just as bad as have ever been disclosed in Soviet Russia.

Mr. HULL. Mr. President, I merely wish to call attention to some additional phases of the significance of our action in voting this tariff on coal.

I do not think we should undertake to fool ourselves in any sense as we proceed to vote this \$2 a ton tariff on coal. If it were possible to offer a proposal based more or less on false pretense, I think this one contains more of the elements of false pretense than most others of this nature.

In the first place, it is written down here in the bill, in a semiserious manner, as an excise tax. That is a misnomer, and, of course, a transparent disguise.

In the second place, it is represented that protection against imports from other countries is thoroughly justified by this coal-tariff proposal.

Mr. President, I think 50 per cent of the Smoot-Hawley bill was based on fear. The other 50 per cent was based more or less on selfishness.

In this particular instance, it is virtually conceded by the able Senator from Pennsylvania that the entire coal-tariff proposal is based upon fear—and remote or speculative fear as well.

There is not a scintilla of basic fact on which to predicate a tariff on coal. No more sleeveless case could be presented so far as bituminous or soft coal is concerned. It can not offer a remote claim for tariff protection. And yet, Mr. President, this committee and this legislative body are proposing seriously to violate the doctrine of equality as contained in our present international policy of unconditional favored-nation treatment.

In one breath we announce to the world by this provision that we will give every nation alike a \$2 per ton rate on coal. In the next breath we announce that we will make an exception in the case of Canada and discriminate in Canada's favor and against all the other nations of the world, in outright violation of our solemn moral obligations under the unconditional favored-nation doctrine which we profess to stand for unequivocally.

That is the first rank discrimination that creeps out in this proposal.

In the next place, Mr. President, we are undertaking to challenge or invite other nations by a purely sleeveless tariff enactment here, as we have been doing for some years, to construct retaliatory tariffs or similar obstructions against us. Canada has been our best customer. We have been selling Canada more goods in the past, each year, than we have sold any other nation in the world. Since our new and unnecessary system of tariffs has been prescribed against Canada in recent years we have seen our exports to that country fall first from \$950,000,000 in 1929 to \$670,000,000 in 1930, and to three hundred and odd millions in 1931. Our export trade is drying up as rapidly as is humanly possible; and it arises largely from the fact that this Nation has led the world during the past three or four years into the most general and bitter economic war that has ever raged in time of peace.

We have not only invited but, as stated, we have challenged other countries everywhere to retaliate against almost every sort of a trade obstruction that our imagination could conceive and install.

Mr. President, I desire to make further record of the fact that in enacting this additional tariff item we are still farther departing from every policy that would contemplate the development of any important foreign-trade interests on the part of this Nation. We are turning our backs literally away from every commercial policy except one of production and consumption here at home.

I was surprised to see the distinguished junior Senator from Pennsylvania [Mr. DAVIS] rise and call attention to the fact that the little dribble of coal imports coming in here displaced a thousand coal miners in Pennsylvania. Why, Mr. President, at that very time we were shipping and selling abroad fifteen times the amount of coal that was being imported, and giving to American miners in fifteen times the number the Senator from Pennsylvania refers to employment at good wages. From the demonstration here, we would imagine that this country is about to be overwhelmed by sluices and floods of imports of oil and coal and lumber and a long list of other products.

Mr. President, I know how agreeable this tariff proposal is to the distinguished senior Senator from Utah. He is often fair, even in making tariff estimates, if he did bring out some surprising figures of estimates on yesterday.



The point I wish to emphasize here—and I shall then pause for any Senator to rise and contradict me—is that we are engaging to-day and this week in the enactment of purely embargo tariffs, not moderate tariffs, not high tariffs, not merely tariffs which might even by accident permit a sporadic import now and then, here and there, but we are deliberately and premeditatedly enacting embargo tariffs against four great international commodities.

The Finance Committee, steeped in high tariffs as it is, was unwilling to stultify itself by even pretending that any revenues would be derived from these items. Much as the Treasury is in need of revenue, urgent as is the necessity to rake and scrape together Treasury estimates as large as possible from every conceivable source, the Treasury has too much decency to become a party to offering estimates of revenues which now could not possibly arise under a set of embargo enactments.

After all this discussion, and this attempt at defense by the Senators from Pennsylvania, we find that the Treasury has estimated a return of only the purely nominal sum of \$500,000 of revenue from the enactment of this coal tariff, and the Finance Committee likewise had the decency to O. K. that estimate and to solemnly bring it into the Senate with the stamp of its approval.

I challenge any Senator on this floor to rise in his place and deny that this is not purely an embargo tariff, and a tariff that was never less needed at any time in the history of this Nation, a tariff that will cost us \$10 in exports for every 10 cents that we shut out in imports. I pause for any Senator, whether he calls himself a Republican or a Democrat, whether he has any kind of stable economic philosophy or has none, to rise in his place and say that this is not a purely open, unadulterated, bald, embargo tariff.

If we have come to that, I am not censuring anybody for supporting it, although I dissent most emphatically. I merely want to make a record of what is going on here in the Capital of the Nation, in order that the tens of millions of unemployed laborers may know just why they are unemployed.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. HULL. I yield.

Mr. TYDINGS. Is any better proof needed than to review what took place here a half hour ago? First the senior Senator from Pennsylvania [Mr. REED] plead that we put the unemployed people in Pennsylvania back to work, and he asserted that if this tariff were passed, it would stop the importation of the coal that was coming in, and that 2,000 men would be put to work to mining in America. Then, upon cross-examination, he said only 1,000 would be so employed. Then, right after that, he said, "The idea of this coal coming in from this bloodstained monopoly across the sea," which disclosed his real purpose, showing he did not want any of it to come in at all.

Mr. DAVIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the junior Senator from Pennsylvania?

Mr. HULL. I yield.

Mr. DAVIS. The Senator from Maryland is talking about the importation of coal. I wonder whether he is interested more in the miners who mine the coal in some other country than he is interested in the miners who are employed here?

Mr. TYDINGS. Mr. President, will the Senator from Tennessee permit me to answer that question?

Mr. HULL. Yes.

Mr. TYDINGS. I want to say to the Senator from Pennsylvania that I am just as certain of what I am about to say as I am that I am standing here facing him, that what this tariff is going to do is to drive the coal which has been coming to this country into Canada, and the Russians sooner or later will realize the possibilities of the Canadian market, and the 11,000,000 tons of coal which American miners are now mining and shipping to Canada, are going to be displaced by coal shipped in by the Russians.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. HULL. I yield.

Mr. KING. May I say to my friend from Pennsylvania that I believe that this whole tariff measure before us, plus the lumber tariff, will lose the American market in Canada for 16,000,000 tons of American coal annually, will close down scores of American bituminous mines, and throw out of employment tens of thousands of American miners? While the Senator is pleading for a thousand men working in a monopolistic business in two counties in Pennsylvania, where the anthracite coal is controlled by monopolistic organizations, he is advocating a measure which would drive out of employment thousands of American miners who are now engaged in producing bituminous coal which we ship across the line to Canada.

I repeat what I said a few moments ago. I handed to the senior Senator from Georgia [Mr. GEORGE] a report which came from Montreal, showing that the premier of British Columbia had gone to Ottawa, and, in part retaliation for tariff legislation in this country, Canada proposes to impose a tariff of \$5 a ton upon American coal. That, of course, will foreclose us from selling to Canada and shipping to Canada the twelve to sixteen million tons annually which have been going to Canada.

It is proposed also practically to embargo American fruits, and we find in Canada a market for millions of dollars' worth of American citrus and other fruits.

Mr. DAVIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Pennsylvania?

Mr. HULL. I yield.

Mr. DAVIS. I do not agree with the Senator from Utah that there is a monopoly in Pennsylvania in anthracite coal; but I do want to point out to him what the Senator from Idaho a few moments ago said, that Belknap & Co. are the agents of Russia here in selling coal, and if they have the exclusive agency of it, I am going to have some fear that there is going to develop a great monopoly in Russian coal, and what will that do to coal in this country? It will do just the same as it has done in every other line that has come in where the Russians have been given a monopoly.

Mr. TYDINGS. Mr. President, will the Senator from Tennessee permit me to answer that?

The VICE PRESIDENT. The Chair will state that the Senator from Tennessee really has the right to yield for only a question; and, if the Senator continues to yield for speeches, the Chair will hold that he has yielded the floor.

Mr. TYDINGS. Mr. President, will the Senator from Tennessee yield for a question?

Mr. HULL. If I do not lose the floor.

The VICE PRESIDENT. The Senator will not lose the floor if he yields for a question.

Mr. TYDINGS. Mr. President, I will ask the Senator from Tennessee to ask the Senator from Pennsylvania this question: If it is so wrong for us to buy coal from the Russians, a mere pittance of three or four hundred thousand dollars' worth, it seems to me to be a greater crime to sell them \$70,000,000 worth of stuff with which they can become prosperous and spread their propaganda all over the world.

Mr. HULL. Mr. President, if it is permissible, I will proceed now.

The VICE PRESIDENT. The Senator from Tennessee has the floor.

Mr. HULL. Mr. President, I have some language before me of very distinguished Republican origin relating to the situation which confronts us.

I would like to say, in the first place, that if Alexander Hamilton, or Thad Stevens, or Garfield, or Blaine, or McKinley, or Dingley, or even Payne, were back here and could see one connected string of embargo tariffs making their way steadily through this Capitol, they would be utterly astonished and wonder at their own moderation.



This is the culmination apparently—and I am not personally complaining, except that I desire to record the full significance of what is going on—this is the culmination apparently of a policy of tariffs upon tariffs, and then still tariffs upon tariffs, until it is literally run to seed.

Mr. President, when we talk about imports displacing American labor, in my opinion, we are unwittingly creating an entirely false impression as to the full picture that is presented. In the first place, I recall that in 1929 this Nation shipped and sold automobiles, machinery, textiles, cotton, wheat, and other surplus commodities to sixty-odd nations of the world to the amount of \$3,798,000,000, thereby giving employment in this country to some two and a half to three million families.

My distinguished friend the Senator from Pennsylvania, speaking about the thousand wage earners who were displaced by the importation of a little dribble of coal from somewhere, seem oblivious of the fact that these unnecessary tariffs which are being piled up here so recklessly and indiscriminately, have already caused the flight of many billions of capital from America, including a billion and a half to Canada, to employ Canadian labor instead of American labor, to manufacture aluminum, and automobiles, and 75 other staple commodities, and ship and sell them to all the nations of the world.

There is an illustration, the constant flight, on an increasing scale, of American capital to all the nations, in order that it may earn something by manufacturing and selling behind the tariff walls of other countries, which have been run up in retaliation primarily against this country.

We are proceeding openly and deliberately, Mr. President, along the lines of that policy. We, as the greatest creditor and surplus-producing nation, are deliberately turning our backs upon every consideration of foreign markets for our surpluses.

We are doing this in the face of the fact that this Nation to-day is literally glutted with surpluses in scores of important lines, with the further result that labor, of course, is out of employment for the patent reason that there is nowhere to sell our products. We propose, blindly and merrily, to proceed along that impossible course which can not possibly have any but a disastrous end.

Now I come to the next item. I am attempting to give a résumé briefly of what we are actually doing as I honestly view it. Here is lumber. Again the Treasury had too much respect for itself and the Finance Committee, headed by the able Senator from Utah [Mr. SMOOT], had too much respect for itself to bring in a false report about the possible revenue that would be derived at the customhouse from imports of lumber under this \$3 per thousand item that is contained in the bill. The manifest reason was that this is an embargo provision, another bald, stark, unadulterated embargo provision. I pause again for any Senator of any political persuasion to rise and challenge that statement, because I will prove it on him by the Treasury and by the solemn action of the Finance Committee as well as the physical facts.

Yet we have herded ourselves together here for the amazing spectacle in the twentieth century civilization to go back virtually to the old mercantile policy of the sixteenth century and undertake to live here unto ourselves upon the absurd theory that we can consume what we produce. There is nothing more fantastic. I shall stand here, Mr. President, though I may be the only Senator to do it, and call attention to what I think are the sound and true economics of our situation, to what I think is the proper place that America occupies in the world economic situation. Of course, I shall continue in vain to plead with my associates in support of the policy of the domestic market plus an ever-increasing foreign market for our ever-increasing surplus production in this country.

Mr. President, I want to close by quoting the statement of the very able gentleman who is now at the head of the national administration in his speech in Boston in 1928. I quote President Hoover. He said:

To insure continuous employment and maintain our wages we must find a profitable market for our surpluses.

Then he said:

Our total volume of exports translates itself into employment for 2,400,000 families, while its increase in the last seven years has interpreted itself into livelihood for 500,000 additional families in the United States.

Mr. President, that is 50 per cent of the number of wage earners that are employed in the whole manufacturing industry of America to-day. The 8,000,000 to 9,000,000 that are usually employed, under the devastating influences of this panic and under the impossible condition of marketing the surplus they produce have been laid off to the extent that there are scarcely more than 5,000,000 in employment, which is but double the number that the foreign market some years ago would have furnished full-time employment for here at home at full wages.

Mr. President, I assume that the deficit in the Treasury has been filled. While we have been oblivious of the condition of the Treasury, I am going to assume that the deficit has already been composed and taken care of.

I am not going to insult the intelligence of this body even by pretending anything else, because I know that this great membership would not turn away from a great national emergency upon which hinges the very credit of the Nation itself, and go off into a long indefinite period of logrolling and trafficking and trading with respect to purely selfish matters that are wholly foreign to any serious proposal to raise revenue or even to remotely think about the condition of the Treasury. If we are to depart entirely from that, of course, I shall not undertake to support any bill that is labeled a Treasury tax-relief measure. I am sure that the gentlemen who are foisting these tariff things into this measure would not expect many of us any longer to take them seriously enough as the sponsors of a tax bill to relieve the Treasury, to give our support to such a bill on its passage, or to give further serious thought to such a bill.

Now that we have turned entirely to tariff matters based largely on the purely speculative remote possibility that at some time during the next generation a few lumps of coal might filter in here from Russia, now that we have gone out upon such a wild chase as that, I think I shall offer an amendment which will propose a 15 or 20 per cent reduction in the present rates on all imports above a rate of 40 per cent. This will deal with that higher and more prohibitive range of embargo rates in the Smoot-Hawley bill that would not call for the assistance of a Tariff Commission; and in the event that some time in the future the membership of this body should give it a majority approval, it would serve notice upon other countries that America has finally reached the limit of her wild tariff debauch, that she is now ready to halt and instead of leading the world through further bitter economic war she will join in leading it back in the opposite direction.

President Hoover complacently vetoed the measure that contemplated such confidence and such concerted action among the nations of the world as would have resulted in halting these wild movements of trade obstructions upward and all the nations somewhat in concert moving through their respective parliamentary governments at home in their own way back in the direction of moderation. Failing to secure presidential approval of that, the alternative in my judgment is to seek some kind of expression from the people's representatives in Congress to the effect that we are in a state of mind to halt these mad movements ever upward and face in the opposite direction.

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of business to-day the Senate recess until 11 o'clock to-morrow morning.

Mr. ROBINSON of Arkansas. Mr. President, I had understood there was to be a proposal to adjourn early to-morrow, but I shall not object to the Senator's request.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LONG. The Senator should have asked to recess at the end of to-day's business.

Mr. SMOOT. That is what I asked, and the order has been entered accordingly.



Mr. WALSH of Massachusetts. Mr. President, I think we have been diverted somewhat from the issue. The question is not, so far as the Congress is concerned, between the anthracite operators of Pennsylvania and the anthracite operators of Russia. It is not even between the coal miners of Pennsylvania and the coal miners of Russia, except remotely. It is a question between the consumers of America and the anthracite monopoly of Pennsylvania. It is a question whether we are going to vote to give this monopoly an embargo and increase the tax on coal \$2.24 a ton.

We have heard a good deal about and we all sympathize with the unemployed. It is time for the Senate to give consideration also to the consumers. I want to read a letter from a clergyman living in the hills of New Hampshire who voluntarily wrote me this letter after the House had taken action upon this matter. I think he speaks the sentiments of the consumers of this country on this issue. He wrote as follows:

MY DEAR SENATOR: I am writing this hurried note relative to the exorbitant tax the House placed on coal, a tax of \$2 a ton. It means for me \$100 more for my winter's supply of coal. This is indeed a very poor way of helping the poor in this time of distress. The Senators who will vote to eliminate this from the tax bill will deserve the highest praise of the people. If it becomes law, it will cause untold suffering among the poor next winter. It is crime. I hope the Senate will be merciful enough to vote this down. With low wages and unemployment and such high taxes, what is to become of the poor? If the lawmakers could but hear the public, they would be slow in voting such burdens. I hope, my dear Senator, you will align yourself with the poor.

Mr. President, I think that letter puts the issue very clearly and very directly.

Here is a monopoly with 99 per cent of the domestic production in its control. It is proposed to levy a tariff here that is equivalent to an embargo in order to give it complete control of the domestic market and permit it to raise prices to the extent of \$2.24 per ton indiscriminately. I inquired, Will this monopoly raise the prices? Something was said in the early part of the debate about that, and I sent to the Senate Office Building for my files, because I knew a telegram had reached me recently on that subject. Will the prices go up? I have read the record of anthracite-coal prices in New York during the years 1929, 1930, and 1931, showing that anthracite coal was one of the few commodities as to which there had been a steady increase in price. If you want proof whether anthracite operators constitute a monopoly or not and intend to raise prices if they can hold their monopoly, let me read a telegram of—

May 6—

Of this year—

despite public announcement Anthracite Institute—

Despite the public announcement of the Anthracite Institute—

that producers would not take advantage of proposed import tax to increase price, wholesale prices, standard sizes anthracite, increased May 1, 15 cents per ton.

MASSACHUSETTS CHAMBER OF COMMERCE.  
C. C. MOWEY, Secretary.

I want no mistake about what this vote means. Whatever may be said about any other item, certainly coal with this outrageous tariff duty is indefensible. This action of ours in imposing this duty means that the few bushels of coal that have been helpful in keeping down the prices of coal along the Atlantic seaboard will be denied access to our shores. It means that we shall give this monopoly, controlling this valuable natural resource, absolute control of the American market, and subject the people of the northeastern and northern part of the country to the burden of an increased tax upon anthracite coal, the deposits of which are so close at hand.

I will not review the other arguments with reference to this subject, nor will I dwell upon the fact that the Russian coal, which has been referred to, is superior in quality and is bringing a higher price. It seems to me that there is not anything in support of this proposition except that it fits into the combination here to make a majority vote for all these tariff duties by exchange of votes.

As the clergyman said in his letter to me, it is a crime to deal with the public in this manner, especially with the people in the cold regions of this country who must buy anthracite. The well-to-do are now using oil, but the poor still have to buy anthracite.

Mr. LONG. Mr. President, will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I yield.

Mr. LONG. I am very much impressed by what the Senator from Massachusetts has said about monopolies, but I was going to say that it would seem that the regulation of monopolies could be brought about better through the law than by leaving our workmen unprotected. Like the Senator from Massachusetts, I do not think we ought to permit monopolies; but, assuming there is a monopoly, nevertheless, we want the American worker protected in this country. The way to get rid of a monopoly is through trust laws; and if we have not got strong enough laws for that purpose, we ought to amend them.

Mr. WALSH of Massachusetts. Of course, the way to deal with a monopoly is through the legislation restricting their excesses and their abuses; but, as the Senator from Louisiana knows, we have not had very much success in doing that. However, we are dealing with consumers here. Again and again in the discussion of these tariff duties we hear the side of the operators or of the importers or the American producers presented, but rarely, if ever, is there a voice raised here to call attention to the fact that this is a tax and that the tax is paid by the public. The question of whether or not it is burdensome to the consumer is rarely ever discussed, and the question of whether or not it is just to him is rarely ever discussed.

Mr. President, let the roll be called and let it be known what this rate means—monopoly on one side and the consumer protesting the paying of \$2 a ton more for their coal on the other side.

Mr. President, I ask to have incorporated in the RECORD some correspondence I have had on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Extract from the minority Finance Committee report in opposition to duty on coal]

#### COAL

The proposed duty on coal and coke as carried in the present bill, in our judgment, is utterly preposterous. According to Department of Commerce figures we exported 13,088,259 tons of coal and coke in 1931 and imported only 836,769 tons, a ratio of 16 to 1 in favor of our exports. The total production of coal and coke in the United States in 1931 was 459,716,104 tons, so that our imports of 836,769 tons represent less than one-fifth of 1 per cent of our total coal and coke production. It is to eliminate this almost infinitesimal amount of imported coal, which does not undersell domestic coal but in fact commands a higher price than the domestic product, that this tariff duty of 10 cents per 100 pounds, \$2 per short ton, is in the bill. It will raise no revenue whatever. By the exclusion of the imported coal it will enlarge the potential domestic market by one-fifth of 1 per cent. The proponents of this tariff have but one objective. They hope to displace 600,000 tons of imported anthracite coal now sold in New England with an equal amount of Pennsylvania anthracite.

#### BRIEF AGAINST COAL TARIFF TAX IN REVENUE BILL

(Submitted by George E. Warren Corporation, New York and Boston)

No tariff duty on imported coal was contained in the revenue bill as reported by the House Ways and Means Committee. The House itself accepted an amendment (without a record vote so far as coal tariff alone was concerned) levying an excise tax on "coal (anthracite or bituminous), coke, or coal or coke briquettes" at the rate of 10 cents per 100 pounds, or \$2 a short ton. This amendment was sponsored by representatives of the anthracite-coal monopoly in Pennsylvania and was put into the House bill without previous consideration, and with only the briefest discussion, and at a time when only half the House membership was in the Chamber. Once in the bill the parliamentary situation in the House precluded separate roll call on the coal paragraph.

The Senate Finance Committee retained the coal tariff tax in the bill as reported to the Senate; Title IV, section 601 (c) (5);



but with an important qualifying sentence as follows: "The tax . . . shall not be imposed . . . if during the preceding calendar year the exports . . . from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of such articles, etc. . . ."

The explanation of this exemption is the fact that approximately 11,000,000 tons of American coal—anthracite and bituminous—find a market in Canada, while less than 200,000 tons of Canadian coal comes into the United States. By exempting Canadian coal from the operation of this tariff the proponents of the tariff are cherishing the delusion that our own coal industry will escape retaliatory tariff tactics by Canada and save the annihilation of our present export coal trade to Canada. In our judgment, the bituminous-coal operators who now have a share of the Canadian coal market are destined to have a sad awakening if this coal tariff becomes law.

1. Our coal imports are negligible.
2. A coal tariff will yield no revenue.
3. No report by Tariff Commission on retaliation.
4. A coal tariff will bring foreign retaliation.
5. Our export-coal business menaced.
6. Unemployment relief not an issue in coal tariff.
7. The Chinese-Russian bogey.
8. The American consumer.

#### Why this coal tariff tax should be rejected

#### I. IMPORTS OF COAL AND COKE CONSTITUTE LESS THAN ONE-FIFTH OF 1 PER CENT OF THE TOTAL COAL AND COKE PRODUCTION WITHIN THE UNITED STATES

(Four hundred and fifty-nine million seven hundred and sixteen thousand one hundred and four tons total production; 836,769 tons total imports in 1931)

Never in the long history of the protective tariff has it been seriously proposed to levy an import duty under such circumstances. Most of this tiny trickle of foreign coal now entering the country is a high-quality anthracite and none of it undersells domestic anthracite. Actually the foreign coal commands a premium of around a dollar a ton.

#### II. THE PROPOSED COAL TARIFF PRODUCES NO APPRECIABLE REVENUE

That a \$2 import tax on coal will yield little or nothing to the Treasury is not merely the contention of the opponents of this tariff absurdity. It is a fact conceded by both sides. The Treasury submitted a nominal estimate of \$500,000 revenue on this item, which has since been reduced by the proposal to permit free importation of Canadian coal. But the Pennsylvania anthracite operators are proceeding on the theory that this tax will act as a complete embargo, otherwise it is of no conceivable benefit to them.

#### III. THE TARIFF COMMISSION HAS NEITHER RECOMMENDED NOR REPORTED, NOR EVEN INVESTIGATED—THE COAL-TARIFF PROPOSITION

In this as in other aspects of the case, the coal tariff clause in the present revenue bill is positively unique and without even semblance of plausible claim for protection. Oil and copper and lumber have been the subjects of recent exhaustive Tariff Commission reports. As to coal, nothing.

#### IV. THE IMPOSITION OF A COAL TARIFF INVITES FOREIGN RETALIATION DETRIMENTAL TO OUR FOREIGN TRADE IN COAL AND IN OTHER COMMODITIES

Certainly it ought to require the most desperate need of protection (of which in the present instance there is not the slightest need) to warrant incurring the risks to our foreign trade involved in levying any new tariffs at this time. Such tariffs add fuel to the flames of present foreign resentment. The "joker" inserted in the coal paragraph in the Senate bill intending to exempt Canadian coal, in the hope of avoiding Canadian exclusion of American coal, is in reality an open invitation to Canada and Great Britain to put into effect a similar edict. This would operate in reverse fashion and exclude our coal from their market, for we sell to them more than we buy. But is there any reason to suppose that retaliation will necessarily be limited to coal? Instead there is every reason to expect it will go beyond that.

#### V. OUR EXPORTS OF COAL AND COKE ARE IN THE RATIO OF 16 TO 1 WITH OUR IMPORTS

(Thirteen million eighty-eight thousand two hundred and fifty-nine tons of coal and coke went out of the country last year and 836,769 tons came in.) The value of our coal exports was \$54,984,000 and of coke \$3,494,000. Shall we jeopardize this trade at the behest and for the imagined benefit of a small group of coal operators in a small area of a single State (Pennsylvania)?

#### VI. DISTRESS AND UNEMPLOYMENT IN COAL INDUSTRY NOT VALID ARGUMENT FOR THIS TARIFF

The proponents of the coal-tariff embargo have adroitly sought to capitalize our national sympathy for the vast army of unemployed coal miners. The fact is that there are two coal industries, bituminous and anthracite. Imports of coal and its exclusion or otherwise has not the remotest relation to the predicament of the bituminous industry or its relief, for it requires a microscope to discover any imports of foreign bituminous coal. As to the Pennsylvania anthracite industry, the exclusion of foreign anthracite from the New England seaboard market (the only point in the country where it is sold) might conceivably permit the increase of sales of Pennsylvania anthracite by less than 1 per cent. (Penn-

sylvania now supplies 93 per cent of all the anthracite sold in New England.) What a travesty to contend that this trivial item is a major factor in the employment problem!

#### VII. THE MYTH OF THE MENACE OF CHINESE AND RUSSIAN COAL

(Of which the proponents of a coal tariff have made so much talk.) No coal from China last year—one cargo of approximately 5,000 tons this year—no more in sight. If China gave its coal away it would rarely pay to freight it across the Pacific to our own shores. From Russia, 216,990 tons of anthracite reached our shores last year. That is less than a single day's production in our own anthracite-coal field. The Finance Committee record disclosed that shipments of Russian coal are not increasing—and will not increase. Coal is not like matches. Freight and handling are the major costs. Transoceanic shipments of coal require ships. The most cursory examination of the facts evidences that Russia's ambitions to expand her foreign trade won't work when it comes to coal. An occasional shipload of selected anthracite at a premium price for a seaboard customer—yes. But a deluge, no. And as for the talk about Russian convict labor, we already have law enough on the statute books to bar the import of any product of convict labor. So far as the present fight on the coal tariff is concerned, this is just one more bogey man to frighten Congress and befuddle the issue.

#### VIII. LAST, BUT NOT LEAST, THE AMERICAN CONSUMER

His interests certainly are not promoted by establishing an embargo, whether it be on imported coal or on any other commodity. The granting of monopolies is not usually supposed to tend either to lower prices or to improve quality and service. The question of fuel is a vital one to the home owner. Why prejudice his interests in so vain and preposterous a proposition as this coal-tariff-tax embargo?

WASHINGTON, May 17, 1932.

BOSTON, March 28, 1932.

HON. DAVID I. WALSH,

Senator from Massachusetts, Washington, D. C.

DEAR SENATOR: I note that the House favors a tax of 10 cents each 100 pounds on foreign anthracite and coke. This tax will yield no revenue; it will act as an embargo. A revenue tax of 25 or 35 cents a ton would yield not over \$250,000.

Our company owns and controls some of the largest mines in the United States. We are also importing some foreign coal and coke. The total importations of foreign anthracite coal, compared with the production in the State of Pennsylvania alone, amount to slightly over 1 per cent. The bulk of this foreign anthracite coal and coke has been coming to New England and has been to the public benefit.

In order to meet foreign competition the Pennsylvania anthracite companies have vastly improved the quality of their product, removing the slate and bone from their coal, which they formerly shipped to this market.

Speaking for myself, I hope you will use your influence against an unreasonable tax on coke and coal, which would act as an embargo and not a revenue producer.

Yours very truly,

THE NORTH AMERICAN COAL CORPORATION,  
By JOS. W. GORMAN, Vice President.

P. S.—We export many times the amount of coal we import. If you care for exact tonnages, I will be glad to furnish them to you.—J. W. G.

BOSTON, May 6, 1932.

HON. DAVID I. WALSH,

Senate Chamber, Washington, D. C.

MY DEAR SENATOR: I note what you are doing for the consumer in New England about the proposed tariff on coal. I have also read Walter Lippmann's views with approval.

I happen to be not only a constituent in Massachusetts, where anthracite coal comes in to the consumer, but also a corporate officer in a landlord corporation in Pennsylvania. The tenant operating company ships anthracite coal to Toronto, Canada, which there is sold to the house of industry and depended upon for supplying the unemployed with coal to keep them from freezing in winter.

The retaliatory duty on American anthracite which Canada would undoubtedly put on would have two results.

The Toronto unemployed would be much colder and suffer hardships.

A perfectly good Pennsylvania industry would be ruined. The general ruin in that business in selling anthracite to Canada would far exceed any benefit to be obtained by putting a duty on the anthracite which comes into Boston by water.

Yours very truly,

RICHARD W. HALE.

[From New York Herald Tribune, April 27, 1932]

TO-DAY AND TO-MORROW  
By Walter Lippmann

#### COAL AND OIL TARIFFS: HAS THE DEMOCRATIC PARTY SURRENDERED?

Under the pretense of raising revenue the House has proposed to erect tariffs against petroleum products and coal. The Senate Finance Committee has tentatively added a copper tariff and there is a powerful agitation for additional tariffs on lumber.



The insincerity of the performance is visible in the House bill. For the petroleum and coal taxes differ from all the other excise taxes, such as those laid upon toilet preparations, furs, jewelry, automobiles, in that these taxes "apply only with respect to the importation of such articles." Plainly the object is not to raise revenue but to prevent imports. Thus the coal tariff, which is at the rate of \$2 a short ton, is estimated to yield only \$1,500,000. Were the same tax applied for revenue purposes to all coal consumed in the United States in 1930 (I do not have the figures for 1931) it would yield theoretically a billion dollars. Obviously the House was not interested in revenues. It was interested in stopping the imports of Canadian and British coal. This proposal has nothing to do with the raising of revenue.

Let us look then at the meaning of this coal tariff. In 1930 the United States produced 70,000,000 tons of anthracite. It exported 2,500,000 tons and imported 675,000. In other words, it imported less than one ton for every 100 tons produced and consumed. It exported more than four tons for every ton imported. On what theory of tariffs does an industry with a monopoly of more than 99 per cent of the domestic market and, in addition, an excess of exports, require protection?

Take next bituminous coal. In 1930 there were produced 630,000,000 tons. There were exported nearly 16,000,000 tons. There were imported only 241,000 tons. What fraction of 1 per cent is 241,000 in relation to 630,000,000? Can it be denied that the bituminous and coal producers of the United States have more than 99 per cent of the domestic market? At whom are they aiming the tariff?

They are aiming it at Canada. There is a trifling amount of coal produced in Nova Scotia and Alberta, in Saskatchewan and New Brunswick. A little of it finds its way into Maine and Vermont and into Washington, Montana, Idaho, and Alaska because transportation conditions are favorable. This is the trade that Congress proposes to stop. But just consider the mentality of this proceeding. While we buy from Canada a microscopic fraction of 1 per cent of the coal we consume, we sell to Canada 85 per cent of our coal exports. Though we receive from Canada almost none of the coal we consume, we sell to Canada as much coal as Canada produces.

Thus in order to stop a fraction of 1 per cent of our consumption from coming in we are proposing to endanger 85 per cent of our export trade. For it is humanly certain that Canada will not tamely submit. On July 15 an imperial conference meets at Ottawa for the purpose of uniting the Empire under preferential tariffs. Could there be greater folly than to select this moment to impose a punitive tariff against a Canadian industry?

Really, when one examines the facts, when one considers what Congress is risking for an insignificant advantage to an insignificant part of the American coal trade, it is difficult to refrain from wondering whether Congress is in its right mind.

The proposed oil tariff is a little bit more complicated, but not much. The demand for this tariff comes from the so-called independent producers in Texas and Oklahoma who believe that domestic oil would replace imports and the price of oil would rise if prohibitive duties were imposed. They are supported by the coal producers, who hope by raising the price of oil to discourage the complication of oil with coal.

In 1931 the total value of our exports of petroleum products was three times as great as the value of our imports. This is fairly conclusive evidence that whatever else the industry may be suffering from it is not suffering from inability to compete in the world market. Indeed the figures bear out this conclusion. In 1930 the United States produced 63.3 per cent of the crude oil of the world. It imported about 7 per cent of what it produced. Thus the domestic producers had 93 per cent of the domestic market. Does anyone think they can monopolize the American market and hold their own in the world markets as well? Not in an era when every country in the world is under the strongest pressure, owing to our unbalanced position as a creditor nation, to buy as little as possible from the United States. The oil producers are playing with dynamite when they adopt a policy of tariff aggression. They are penny wise and pound foolish.

Here, then, are two tariff measures which might be described as farthest north in the effort to strangle international trade. Not even the authors of the Hawley-Smoot tariff ventured to enact measures so patently indefensible. Yet the coal and oil tariffs were voted by a House controlled by the Democrats. Democratic votes are deciding the issue in the Senate committee.

What are the Democratic leaders going to do about this scandal? It makes ridiculous their whole case against the Republican tariff policy. Is it possible that the presidential candidates who have been criticizing the tariff in general terms, that the Democratic Party which has given out tons of printed matter on the tariff, will do nothing to stop these silly tariffs which, if enacted, can only stultify the Democrats completely on one of the chief issues of the coming campaign?

If the Democratic leaders are ever going to speak out, this is the time for them to do it. Once these tariffs are made law the country will laugh at their protests.

DOMESTIC FUEL CORPORATION,  
New York, May 10, 1932.

The Hon. DAVID WALSH,

United States Senate, Washington, D. C.

DEAR SIR: We are attaching hereto an article by Mr. Walter Lippmann, which is along the lines of articles written by Mr. Claude Bowers, of the Hearst publications, and Mr. Kent, of the Baltimore Sun.

We believe that this article expresses the situation very concretely as to the proposed tariff items in the revenue bill, from the Democratic viewpoint.

We are, of course, most directly interested in the coal and coke tariff, and we feel that most of the coal trade is against the proposed coal tariff, and that retaliation from Canada will do far greater harm than the tariff could possibly do good. On the other hand, for the coke tariff there is absolutely no justification at all, as it was pointed out to the Finance Committee that the coke imports to this country over the past five years decreased over 40 per cent, whereas coke production along the Atlantic seaboard in New Jersey, New York, and Massachusetts increased in these States, respectively, 2½ per cent, 20 per cent, and 44½ per cent. We feel that under such conditions the most zealous protectionists in the world could not advocate a tariff for the monopolized coke industry.

We sincerely hope you will use your efforts to defeat the proposed coal and coke tariff embargo, or at least reduce it to a fair amount of, say, 50 cents per ton for the coal, which might bring in some revenue and would not be an absolute embargo and, on the other hand, eliminate coke entirely.

Yours faithfully,

J. P. ROUTH, President.

#### BRIEF OF SENATOR WALSH OF MASSACHUSETTS AGAINST THE DUTY ON COAL

##### THE COAL TARIFF

House bill, 10 cents per 100 pounds.

Senate Finance Committee, 10 cents per 100 pounds.

The Finance Committee, although it retained the House rate, added the following provision:

"The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles, and shall not be imposed upon any such article if during the preceding calendar year the exports of the articles described in this paragraph from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this paragraph."

The effect of this provision is the placing of a duty only on the imports of coal from those countries who export to this country more than this country exports to them. Great Britain and Russia are the only countries who export more coal to the United States than they import from us. In 1931 we imported 305,945 tons from Great Britain and 216,990 tons from Russia, while our exports to both of these countries were negligible.

The inclusion of taxes on imported commodities in a revenue bill sets a dangerous and unwise precedent. Particularly is this true when the rates levied on the several commodities are so excessive as to constitute absolute embargoes, thereby eliminating all possibility of raising any revenue by them.

The rate of 10 cents per 100 pounds of coal, equivalent to \$2 per net ton and \$2.24 per gross ton, provided for in the revenue bill as it passed the House, and retained in the bill approved by the Senate Finance Committee, is acknowledged by tax experts, proponents and opponents, as constituting an embargo. It is not expected nor estimated that this provision of the revenue bill will raise revenue. Upon what theory of tax-bill legislation is a tax that does not raise revenue made a part of a revenue bill? Even if the deplorable condition of the coal industry warranted and could be improved by the tariff protection provided, there is no justification for making it a part of a revenue bill.

This is an outrageous example of legislative "hitch-hiking," because the distress in the coal industry can not be alleviated through tariff or revenue legislation, a fact disclosed by thorough investigation.

The Department of Commerce figures for the year 1931 show that we exported in total 13,088,295 tons of coal and coke, and during the same year we imported a total of 832,769 tons of coal and coke, or an export balance in our favor of about 16 to 1. The above total export figures are made up as follows:

	Tons
Bituminous coal.....	10,827,000
Anthracite coal.....	1,637,775
Coke.....	673,484
Total.....	13,088,259

In 1930 this country exported 14,176,236 tons of coal.

In 1931 our total import figures on coal and coke were:

	Tons
Bituminous coal.....	179,947
Anthracite coal.....	569,599
Coke.....	86,223
Total.....	832,769

In 1931 the production of coal and coke in the United States was as follows:

	Tons
Bituminous coal.....	378,110,000
Anthracite coal.....	59,115,378
By-product coke.....	32,454,604
Beehive coke.....	1,273,000
Total.....	470,952,982

Let us analyze the meaning of these figures. In 1931 we produced over 470,000,000 tons of coal and imported considerably



less than 1,000,000 tons, the ratio of imports as compared with domestic production being less than one-fifth of 1 per cent.

Our exports were over 13,000,000 tons, exceeding imports by 16 to 1. Think of it—for every ton imported this country exported 16 tons. On what theory of tariffs does an industry with a monopoly of nearly 100 per cent of the domestic market and, in addition, a tremendous excess of exports over imports, require embargo protection?

It is a generally accepted principle that tariff benefits should only be extended in cases where the imported article undersells the American-produced commodity. Even the relatively infinitesimal amount of coal imported into this country is sold at from 50 cents to \$1 more per ton than domestic coal of the same grade. Furthermore, it is interesting to note that it is held by many industrial experts that one of the great ills with the anthracite-coal industry, the coal group that is principally demanding a coal tariff, is that coal prices are entirely too high in relation to other commodities.

Astounding as it may be when one considers the universal decline in commodity prices, the prices of pea and buckwheat anthracite, which constitute 70 per cent of the coal consumed in New York City, have been increased during the past three years, as shown below:

Pea:	
1929.....	\$8.75
1930.....	9.25
1931.....	10.50
Buckwheat:	
1929.....	7.15
1930.....	7.15
1931.....	7.50

The sponsors of this measure have aroused our sympathy by painting a true and doleful picture of the widespread unemployment in the coal industry. It is estimated that 40,000 American coal miners are entirely destitute of remunerative occupations, and it is maintained by the advocates of this tariff that its enactment would result in returning these unfortunate miners back to work in the domestic coal mines. Such an achievement would be doubly commendable in times such as these, but they deceive themselves in supposing that the exclusion of all of the coal imported into this country would appreciably affect the unemployment problem.

According to the statistics on coal appearing in the latest publication of the Bureau of Mines Coal in 1929, Table 1-A, pages 824-825, the average output per man per day is 1.93 gross tons, and the average number of days worked is 225.

The idle miners have, therefore, a productive capacity of 80,000 tons per day, and 20,000,000 tons per year. Imports, however, only amount to 2½ per cent of their productive capacity, which means that even the most sanguine view of the matter can not anticipate the reemployment of more than 1,000 of the idle miners, and this is based upon the maintenance of the present export volume.

The crux of this coal-tariff problem is, can this country adopt an embargo policy on coal imports and at the same time retain our present foreign markets for American coal?

Ninety per cent of our coal and coke exports go to Canada; 65 per cent of our imports come from England and Canada. Canada and Great Britain are bitter over the American high-tariff policy; both have passed drastic retaliation tariffs since the enactment of the Smoot-Hawley bill. The present Canadian Government won office a year and a half ago on the anti-American tariff issue. Other units of the British Empire have likewise been aroused.

This July the British Empire Tariff Conference is scheduled to begin its sessions at Ottawa, Canada. The Dominion Government is expected to lead the fight at the imperial conference for a tighter all-British tariff union in general, and a stiffer front against the United States in particular.

With the whole British Empire already incensed because of our tariff law and threatening to enlarge upon the severity of the retaliatory measures they have already adopted, our statesmen propose the diplomatic procedure of adding this and several other embargoes to our present list of excessive tariffs. It is adding insult to injury.

The British Empire is our best customer. We should be making every effort to placate their bitterness, but if instead we adopt this coal tariff, our exports to Canada are going to be shut out.

Consider the mentality of this procedure. While we buy a microscopic fraction of 1 per cent of the coal we consume, we sell to Canada 90 per cent of our exports. We sell to Canada almost as much coal as she produces, our exports amounting to over 11,000,000 tons a year.

The Canadian coal producers have for a long time been demanding that their Government increase their present coal tariff. The tariff we propose to enact will exclude every ton of coal Great Britain now ships to us. It is inevitable that at the July conference in Ottawa Great Britain will request the Dominion Government to provide a market for the British coal the United States has been receiving, and past experience indicates that Canada will raise her tariff against non-British coal imports. The Dominion Government will undoubtedly adopt an embargo tariff at least as high as ours.

If we pass this coal tariff, the American coal miners will be the losers. For the insignificant advantage of shutting out about half a million tons of coal we will lose a market for 11,000,000 tons. Unemployment and distress in the coal regions will be

greatly aggravated. Many members of the domestic coal and coke trade recognize this danger and are not sympathetic with the Finance Committee proposal, because it places their industries in greater jeopardy.

A great deal has been said about the imports of Russian indentured or forced-labor coal and coolie-mined Chinese coal threatening the American market. There is already a law prohibiting the importation of articles mined or produced by forced labor, and if any such coal is coming in from Russia the Treasury Department should stop it. Less than 25 per cent of the coal imported in 1931 came from Russia.

Chinese coal will never be imported in substantial quantities. In 1931 only 5,000 tons came in. The only American company that has imported coal from China testified that it was a very unprofitable venture. Twelve thousand miles of sea transportation is too long a voyage. Shipping rates are too high, and the three months consumed in shipping the cargo ties up the money invested, thus adding greatly to the high cost of financing such a business.

#### AGRICULTURAL RELIEF

Mr. HOWELL. Mr. President, I am indeed pleased to learn that the Committee on Agriculture and Forestry reported another agricultural measure this morning, being Senate bill 4536, which has the indorsement of the National Grange, the National Farmers' Union, and the Farm Bureau Federation. I can assure the distinguished chairman of the committee that this action will indeed hearten the farmers throughout the land.

This measure gives two mandates to the Federal Farm Board. First, the board must conduct its investigation to see what the conditions are relative to any commodity when requested to do so by an agricultural advisory committee, cooperative organization, other farm organization, or on its own motion. Second, after certain conditions are found to exist the Farm Board must put into operation the equalization fee, the debenture, or the allotment plan, or combination thereof.

Whenever the board, after investigation, finds the following conditions to exist, it is required to make a public declaration of these findings and to assist the farmers to secure at least the cost of production for that portion of the crop sold in the domestic market, by utilizing one of the three alternative plans authorized in the bill. The conditions to be determined are:

First. Whether there is or may be a seasonal surplus or a year's total surplus.

Second. Whether the provisions of section 5 of the agricultural marketing act, providing for loans to cooperative associations and stabilization corporations, will be effective to control such surpluses.

Third. Whether the cost of production is in excess of the prevailing market price secured by growers and what quantity of the commodity will be required for domestic consumption.

Fourth. Whether the durability, methods of marketing, and conditions of processing of the commodity make it adaptable to marketing under any of the plans authorized in the bill.

Whenever the board undertakes one of the three plans, it is required to continue its operations until the conditions making necessary such operations have been corrected and further operations are unnecessary or inadvisable.

The board is directed to ascertain the cost of production of the commodity in question and it shall be the goal of the operations conducted under any of these three plans to secure a price to the farmer which will at least return his cost of production.

Title I of the bill embodies the equalization-fee plan; Title II of the bill embodies the export-debenture plan; Title III of the bill embodies the domestic-allotment plan.

I do not desire at this time to detain the Senate with a detailed exposition of any of these plans. The equalization-fee plan is quite familiar to most of the Senators, as it has been passed by Congress twice. The export-debenture plan likewise is familiar, having been considered and approved by the Senate previously. The domestic-allotment plan, although it has not been considered on the floor of this body as much in detail as the other plans, has been introduced at length before both Agricultural Committees and by Congress. Senators will find a detailed explanation of these



plans in the hearings of the Senate and House Committees on Agriculture of this Congress.

There is nothing novel or new about giving the board several alternative plans with which to cope with the agricultural problem. We have done the same thing with reference to other Federal agencies. For example, the Federal Reserve Board is clothed with a variety of powers in aiding the banking industry of this country; the Interstate Commerce Commission has numerous other powers besides rate-making powers; the United States Shipping Board likewise has numerous alternative proposals available for promoting the shipping industry. The agricultural problem is so diverse and conditions are so different in various parts of the country, and also so different with reference to the marketing problems of various commodities, that perhaps no one plan is best suited for all commodities under all conditions.

The three plans embodied in this bill represent the three outstanding proposals for dealing with the surplus problem. Each of them, in one form or another, has been approved by eminent economists. By placing at the disposal of the Federal Farm Board all three methods of coping with the surplus problem, its power and ability to really solve this problem are immeasurably enhanced.

One of the most significant things about this measure is that for the first time the national farm organizations of the country have agreed upon one bill. This measure was presented to and explained to both the Senate Committee on Agriculture and the House Committee on Agriculture by Chester H. Gray, Washington representative of the American Farm Bureau Federation, on behalf of the National Grange, the National Farmers' Union, and the American Farm Bureau Federation. It represents, therefore, the matured judgment of the three farm organizations. Organized agriculture is united as never before in the history of this country. They have decided after years of study and numerous conferences upon a specific plan which they believe will bring relief to agriculture and restore it to its rightful place in this Nation.

I wish to commend the Senate Committee on Agriculture and its distinguished chairman for heeding the recommendations and pleas of the farmers of this country by deciding to report favorably the measure which the farmers desire.

The burden of responsibility, therefore, is now clearly upon this body. The farmers have presented their appeals again and again to Congress. They have presented a specific proposition which they believe will bring adequate relief. Shall Congress turn a deaf ear to organized agriculture? Is it going to ignore the distress of the farmers from coast to coast, or is it going to be satisfied to adjourn and confess to the farmers that they heard the pleas of their spokesmen in Washington but did nothing about it, despite the recommendations of its Agricultural Committee?

Mr. President, it is difficult for me to believe that this body, having so many Members representing predominantly rural constituencies, and having no Member who does not represent a substantial number of farmers, will deliberately slap the farmers of the country in the face by hearing their pleas for relief and doing nothing about it. As a practical matter, however, it is time that we faced frankly and courageously the fact that the session is drawing rapidly to a close, unless we are to continue far into the summer. We must act quickly if we are to bring agriculture relief. I appeal to this body not to put off this long-deferred responsibility but promptly to pass this measure, which the farmers have requested, following the disposal of the tax bill, thus rendering possible relief to some extent during this calendar year.

Mr. President, agriculture must be rescued.

#### ADDITIONAL PETITIONS AND MEMORIALS

Mr. COPELAND presented a resolution adopted at a community mass meeting held in celebration of World Good Will Day, May 17, 1932, at Brooklyn, N. Y., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Meat Cutters and Butchers Local, No. 1, A. M. C. & B. W. of N. A., of Syracuse, N. Y., favoring the adoption of a plan for an adequate prosperity loan to finance construction of public works, which was referred to the Committee on Manufactures.

He also presented a resolution adopted by the Central Trades and Labor Assembly of Syracuse and vicinity, Syracuse, N. Y., favoring the floatation of a bond issue, the proceeds to be devoted to a great national program of public works, which was referred to the Committee on Manufactures.

He also presented a petition of sundry citizens of Homer, N. Y., praying for the passage of the so-called Brookhart bill to regulate the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Rochester, N. Y., praying for the adoption of a 25-year debt moratorium plan, as suggested by railroad leaders, etc., which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Rockville Center (N. Y.) Republican Club, favoring the prompt repeal of the eighteenth amendment of the Constitution and the passage of legislation legalizing the manufacture and sale of light wines and beers, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Woman's Christian Temperance Union of Oriskany Falls, N. Y., favoring the adoption of dry enforcement planks in the national party conventions, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Lavere-Harrington Post, No. 2320, Veterans of Foreign Wars of the United States, of Oswego, N. Y., favoring the passage of the so-called Gasque bill, for the benefit of widows and orphans of veterans of the World War, which was referred to the Committee on Finance.

He also presented a paper signed by sundry citizens of New York City and vicinity, N. Y., indorsing the petition for a redress of grievances recently presented to Congress by the National Economy Committee, praying for retrenchment in Federal expenditures, etc., which was referred to the Committee on Finance.

He also presented a resolution adopted by Lavere-Harrington Post, No. 2320, Veterans of Foreign Wars of the United States, of Oswego, N. Y., protesting against cuts in appropriations for the Army, training camps, officers, enlisted men, etc., which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Washington Heights Welfare League and Tenants Association, New York, opposing any reduction in the compensation of postal clerks and carriers, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Utica (N. Y.) Chamber of Commerce, favoring retrenchment in governmental expenditures, and protesting against the passage of the so-called Goldsborough bill, to stabilize the purchasing power of the dollar, etc., which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Dansville (N. Y.) Board of Trade, favoring retrenchment in governmental expenditures and the balancing of the Budget, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Square Table Club, of New York City, N. Y., protesting against the passage of legislation "withholding the pay and allowance of 2,000 officers of the Regular Army, on the ground that such action would cripple our system of national defense," which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of Rochester, N. Y., praying for reductions in governmental expenditures to the extent of \$600,000,000, so as to balance the Budget, and the adoption of the general sales tax plan in



the pending revenue bill, which was referred to the Committee on Appropriations.

He also presented a petition of sundry citizens of Rochester, N. Y., praying for support of the economy and tax program of the President of the United States, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Rome (N. Y.) Chamber of Commerce, favoring the prompt balancing of the Budget and retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the common council of the city of Olean, N. Y., favoring the granting of Federal unemployment relief to municipalities, which was ordered to lie on the table.

He also presented memorials of sundry citizens of the State of New York, remonstrating against the imposition of taxes on the automobile industry, and favoring the adoption of some form of general tax in place thereof in the pending revenue bill, which were ordered to lie on the table.

#### REVENUE AND TAXATION—AMENDMENT

Mr. COPELAND submitted an amendment intended to be proposed by him to House bill 10236, the revenue and taxation bill, which was ordered to lie on the table and to be printed.

#### EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

#### REVENUE AND TAXATION

The Senate resumed the consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment reported by the committee proposing an import tax on coal, on which the yeas and nays have been ordered.

Mr. DAVIS. Mr. President, for the information of the Senate, I should like to say that there are over 80 companies in the anthracite region competing for business; that there is at the present time a price war on among all these companies; that the price of anthracite has been reduced by from 75 cents to \$1.50 a ton; and the competition is very keen among them. I wanted Senators to know those facts before they vote on the particular item in the revenue bill which is now pending.

Mr. BORAH. Mr. President, notwithstanding the statement made by the Senator from Pennsylvania, I desire to say that these prices are fixed by a combination who own the anthracite coal fields. There is not any competitive price in this matter. There is no use in trying to mislead the Senate into the supposition that there is any competition as to prices. I ask to insert here several pages from the report of the United States Coal Commission.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

#### SUMMARY ANALYSIS

The United States Supreme Court has formally decided in several cases that combinations in restraint of trade exist in the anthracite coal-mining industry. Orders for dissolution have been made. Proceedings are now in progress before the United States District Courts for the Eastern District of Pennsylvania and the Southern District of New York with the object in view of restoring at least in part competitive conditions in the production and distribution of anthracite coal.

#### MONOPOLY CONDITIONS WHICH HAVE PREVAILED

The monopoly and other conditions which have been condemned and ordered dissolved by the Supreme Court have manifested themselves as follows:

1. Concentration in ownership and control of coal-mining operations and of coal-land reserves by the railroads traversing the different anthracite fields.

2. Development of a community of interest between the seven anthracite coal-carrying railroad systems. This community of interest has prevented the construction of competitive transportation facilities, and which has stabilized traffic and allocated tonnage to each railroad in accordance with certain agreed-upon ratios of the total anthracite output.

3. The imposition of unwarranted capital charges upon the industry. Indefensible costs have been imposed upon the industry

by the payment of excessive prices in order to secure possession or control of coal lands. Large issues of excess capitalization have also been made to buy out or consolidate competing coal companies or projected railroads. Losses sustained by the railroad coal companies in discriminating against and eliminating independent producers have also been capitalized.

Prior to the war practically many of the coal-producing companies of the combination were operated at a loss and were maintained by advances made by the parent railroad corporation. The major part of these losses were afterwards capitalized and the dividend and interest requirements for these securities, as well as for the excess capitalization issued to overcome competition in other ways, constitute a permanent burden upon the consumer of anthracite coal. Profits, largely derived from freight rates that have been adjudged excessive, also have been capitalized by means of stock dividends.

4. The concealment of excessive monopoly profits. Primarily to evade antimonopoly and freight rate laws, separate corporations or legal entities have been created to carry on the production and distribution of coal. Before 1900, by charging excessive freight rates and granting indirect rebates to their own coal-producing and coal-selling companies, the anthracite railroads made it impossible for most of the independent operators to mine and ship coal at a profit, and, although the mining companies owned by the railroads so far as information was available showed operating losses, these were more than offset by the monopoly gains secured by the combinations through the imposition of unreasonable freight rates.

Prior to the war, therefore, as a general rule, the main profits of the combination were taken by the railroad companies. However, with the increase in the price of coal, and the elimination of competition because of excessive freight rates, not only were large monopoly profits taken by the transportation companies, but at the same time, margins of profit also accrued to the coal-producing and coal-sales companies—the other branches of the monopoly which previously had in general been profitless. These latter margins of profit, however, were all that came to public notice and even the information as to these profits was not complete. The producers of anthracite coal were therefore enabled to contend that the profits of the industry were not excessive, when, as a matter of fact, there were large and unwarranted elements of additional profits to the combination, such as those accruing from coal-sales companies and high freight rates, which, on the surface, seemed to arise from independent undertakings and did not appear to be constituent elements of unwarranted monopoly gains.

5. Coordination and stabilization attained through the fiscal agents of the combination. From a superficial view of the monopoly conditions in the production and distribution of anthracite coal, it appears that the combination consists of seven independent groups of corporations, each group centering about one of the seven anthracite coal-carrying railroads. More exhaustive investigation, however, leads to the conclusion that these seven seemingly independent and competing groups are actually coordinated and carry on their operations in thorough accord through a common community of interest and according to a well-defined policy of coal monopolization and stabilization of railroad traffic conditions. The history of the anthracite industry since 1900 shows united action in eliminating competition in the production and sale of coal by interests outside of the combination and in preventing the development of railroad systems to compete with those in the combination. Moreover, there has been a clearly defined and constantly maintained apportionment of traffic to each of the seven railroad systems in the anthracite combination.

The investigations made by the Interstate Commerce Commission and other official agencies, such as the so-called Money Trust investigation in 1913 (report of committee to investigate the concentration of control of money and credit, 1913, 3d sess., 62d Cong., H. Rept. No. 1453), as well as the evidence presented to the United States District and Supreme Courts, clearly demonstrate that this coordination of all the elements in the anthracite monopoly have been effected through the fiscal agents of the anthracite railroads. A group of private bankers and financiers, headed by the banking house of J. P. Morgan & Co., originally moved, no doubt, by the laudable purpose of bringing about stability in the production and traffic of anthracite coal, have been the coordinating and integrating factors in working out the anthracite monopoly. They have not only devised policies but have been the agents of the anthracite interests for eliminating competition, and for securing a common control of coal production and reserves and of railroad facilities. They have also been the medium for apportioning and assuring to each of the units of the combination a proper division of traffic and maintenance of profits.

6. Extension of combination to retail trade. The movement toward consolidation in the retail trade, with close affiliation with the railroad producing interest, culminated in January, 1923, with the incorporation of the National Coal Corporation under the laws of New Jersey. According to the Commercial and Financial Chronicle, this corporation has been organized for the purpose of taking over the most important retail distributing companies of New York, Boston, and Chicago.

#### THE FUNDAMENTAL QUESTION AT ISSUE

These are the conclusions which are apparent from the judicial and administrative investigations of the anthracite industry during the past 20 years. There can be no doubt as to the existence of monopoly conditions. The Supreme Court of the United States in 1920 finally decided that such conditions exist and ordered their elimination.



The Supreme Court, however, is restricted to legal considerations. It can only dissolve an illegal combination or one which contravenes the actual or technical prohibitions of the law. The significant question in the present situation, therefore, especially in the light of past developments in the industry, is whether or not the firm and unequivocal action of the Supreme Court in the pending cases can actually result in the dissolution of the anthracite monopoly, or whether there will be a dissolution in form only while the community of interest and the monopoly conditions will continue to exist with all of their present disadvantageous economic and social effect.

The history of past attempts to accomplish this same object, as well as an examination of the underlying economic facts and forces themselves, clearly indicate that, although the efforts of the Department of Justice and of the Supreme Court may be effective from a legal standpoint when the problem is considered from its more fundamental economic and social aspects, judicial efforts to break up the anthracite combination will probably be entirely barren of result. The community of interest may still obtain and unreasonable profits may be merely shifted from one agency to another. On the other hand, the question presents itself as to whether the restoration of conditions of free competition would be beneficial from a public standpoint. Stabilization in output and regularity in meeting consumption might thereby be destroyed, and profits and prices increased beyond the level established by the existing combination.

Mr. DAVIS. Mr. President, I insist that there is real competition among them. As I understand, now, since prices have dropped, Russian anthracite coal sells a little higher; but I have been reliably informed that a few months ago Russian anthracite was selling below the price of Pennsylvania anthracite.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. DAVIS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to develop the presence of a quorum.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Davis	Kendrick	Shipstead
Austin	Dickinson	Keyes	Shortridge
Bailey	Dill	King	Smith
Barbour	Fess	La Follette	Smoot
Barkley	Fletcher	Lewis	Steiwer
Bingham	Frazier	Long	Stephens
Blaine	George	McGill	Thomas, Idaho
Borah	Goldsborough	McNary	Thomas, Okla.
Bratton	Gore	Metcalf	Townsend
Brookhart	Harrison	Morrison	Trammell
Broussard	Hastings	Moses	Tydings
Bulkley	Hatfield	Neely	Vandenberg
Bulow	Hawes	Norris	Walcott
Capper	Hayden	Nye	Walsh, Mass.
Carey	Hebert	Oddie	Walsh, Mont.
Cohen	Howell	Pittman	Watson
Connally	Hull	Reed	Wheeler
Coolidge	Johnson	Robinson, Ark.	White
Copeland	Jones	Robinson, Ind.	
Costigan	Kean	Sheppard	

The PRESIDING OFFICER. Seventy-eight Senators having answered to their names, a quorum is present.

The question is on the committee amendment as to coal, upon which the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I transfer that pair to the senior Senator from Colorado [Mr. WATERMAN] and will vote. I vote "yea."

Mr. GORE (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. GLENN]. In his absence, I withhold my vote.

Mr. HASTINGS (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. BLACK] and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. JONES (when his name was called). I have a pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. I do not know how he would vote if present. I am unable to secure a transfer, and therefore will have to withhold my vote. If at liberty to vote, I should vote "yea."

Mr. LEWIS (when his name was called). I am paired with the Senator from Minnesota [Mr. SCHALL].

Mr. TOWNSEND (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr.

McKELLAR], who is detained from the Senate on account of illness. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. BINGHAM. Has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BINGHAM. I have a general pair with the Senator from Virginia and therefore withhold my vote. If he were present, he would vote "nay"; and if I were at liberty to vote, I should vote "yea."

Mr. HAWES. I have a pair with the Senator from New Mexico [Mr. CUTTING]. I transfer that pair to the Senator from South Carolina [Mr. BYRNES] and will vote. I vote "nay."

Mr. WALSH of Massachusetts (after having voted in the negative). For the purpose of moving a reconsideration at a later stage, I desire to change my vote from "nay" to "yea."

Mr. HAYDEN. I wish to announce that the junior Senator from Alabama [Mr. BANKHEAD] is necessarily absent and that he is paired with the Senator from Vermont [Mr. DALE].

Mr. SHEPPARD. I wish to announce that the junior Senator from South Carolina [Mr. BYRNES] is necessarily detained from the Senate by illness in his family. If present, he would vote "nay."

I also desire to announce the necessary absence from the city of the Senator from Alabama [Mr. BLACK], the Senator from Virginia [Mr. SWANSON], and the Senator from New York [Mr. WAGNER].

Mr. HULL. I desire to announce that my colleague the senior Senator from Tennessee [Mr. McKELLAR] is necessarily absent from the Senate on account of illness.

Mr. FESS. I desire to announce the following pairs:

The Senator from Michigan [Mr. COUZENS] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER].

The result was announced—yeas 39, nays 34, as follows:

#### YEAS—39

Ashurst	Dill	McNary	Smoot
Austin	Frazier	Metcalf	Steiwer
Barkley	Hale	Neely	Thomas, Idaho
Brookhart	Hatfield	Nye	Thomas, Okla.
Broussard	Hayden	Oddie	Vandenberg
Capper	Howell	Pittman	Walcott
Carey	Johnson	Reed	Walsh, Mass.
Connally	Kendrick	Robinson, Ind.	Watson
Davis	Long	Sheppard	White
Dickinson	McGill	Shortridge	

#### NAYS—34

Bailey	Copeland	Hull	Shipstead
Barbour	Costigan	Kean	Smith
Blaine	Fess	Keyes	Stephens
Borah	Fletcher	King	Trammell
Bratton	George	La Follette	Tydings
Bulkley	Goldsborough	Morrison	Walsh, Mont.
Bulow	Harrison	Moses	Wheeler
Cohen	Hawes	Norris	
Coolidge	Hebert	Robinson, Ark.	

#### NOT VOTING—23

Bankhead	Cutting	Jones	Schall
Bingham	Dale	Lewis	Swanson
Black	Glass	Logan	Townsend
Byrnes	Glenn	McKellar	Wagner
Caraway	Gore	Norbeck	Waterman
Couzens	Hastings	Patterson	

So the amendment of the committee was agreed to.

Mr. WALSH of Massachusetts. Mr. President, I desire to enter a motion for a reconsideration of the vote by which the amendment was agreed to.

The PRESIDING OFFICER. That motion will be entered.

Mr. BULKLEY. Mr. President, I desire to enter a motion to reconsider the vote by which the Tydings beer and reconstruction amendment was rejected.

The PRESIDING OFFICER. That motion will be entered. The clerk will state the next amendment.

The next amendment was, on page 244, after line 5, to insert:

(6) Lumber, rough, or planed or dressed on one or more sides, \$3 per thousand feet, board measure; but the tax on the articles



described in this paragraph shall apply only with respect to the importation of such articles.

Mr. JONES obtained the floor.

Mr. TRAMMELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Florida?

Mr. JONES. I yield.

Mr. TRAMMELL. Mr. President, I desire to offer an amendment to the paragraph which has just been reported.

The PRESIDING OFFICER. Does the Senator from Washington yield for that purpose?

Mr. JONES. I yield.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 244, line 7, after the word "measure," the Senator from Florida proposes to insert the following:

(8) Phosphate rock (phosphorites, collophane, and apatites) containing more than 70 per cent of tribasic phosphate of lime, 8 cents per hundred pounds.

Mr. JONES. Mr. President, is that intended as an amendment to the committee amendment?

Mr. TRAMMELL. It is proposed as an amendment to the lumber amendment.

Mr. JONES. Mr. President, of course I shall ask a separate vote on the committee amendment, which is distinct from what the Senator from Florida suggests.

Mr. TYDINGS. Mr. President, will the Senator from Washington yield so that I may get an understanding of what is going on?

Mr. JONES. I yield.

Mr. TYDINGS. Is what the Senator is about to discuss an amendment exactly the same as the amendment contained on page 244?

Mr. JONES. It is the committee amendment with reference to lumber.

Mr. TYDINGS. I mean the Senator has offered no amendment different from the wording on that page?

Mr. JONES. No; I have not.

Mr. TRAMMELL. Mr. President—

Mr. JONES. We will pass on the amendment of the Senator from Florida when it comes up, I suppose, at the proper time.

Mr. President, I shall not take the time of the Senate to repeat the arguments and the statements which have been made with reference to these other amendments. They are applicable to the pending amendment just as they were applicable to the other amendments, and I think even more so.

I do not dispute that this is a protective tariff amendment, although it is not particularly intended as such. If it were a distinctively protective tariff amendment it would be framed differently.

This is an amendment which I proposed in the committee in the interest of the laboring men of my State. I do not think it would affect the interests of the consumers at all. It would not increase the retail price of lumber in New York or the other lumber markets of the United States to any degree whatever. The consumer of lumber, the purchaser at retail rates, would have to pay just as much for lumber if this amendment were not agreed to as he would have to pay if it were agreed to.

The main thing I want to call to the attention of the Senate is labor, the condition of labor, and the conditions in the lumber sections of the country. I think the conditions with reference to lumber are considerably different in that respect from the conditions in connection with the production of the other articles covered by the amendments which have been proposed to the pending bill.

The lumber affected by this paragraph is largely the lumber of Washington, Oregon, and northern Idaho. The lumber that would be affected by it is the principal product of that section of the country. Upon it depend thousands of homes, representing hundreds of thousands of people. Men, women, and children are practically absolutely dependent for their livelihood, their prosperity, and their happiness upon the lumber products in those sections of the country.

Take away the prosperity of that industry and you take away the prosperity and the livelihood and the happiness of hundreds of thousands of people. It is estimated that in the western part of the State of Washington, for instance, the lumber industry furnishes over a million people with their main element of prosperity, the main basis of wealth; and the happiness of those people rests upon the lumber industry primarily.

What is the condition of that industry to-day? It is practically blocked from any development so that the people who are dependent upon it can get any support from it. It is estimated that there are one hundred and twenty-five or more thousand laborers employed in the lumber industry. It is generally conceded that at this time at least 100,000 of those laborers are idle. Probably taking northern Idaho, western Washington, and Oregon there is a greater number even than that absolutely idle. They have no means of support, they have no labor, aside from the labor furnished by the lumber industry.

That industry is practically idle. As I have said, out of 125,000 laboring men it is conservatively estimated that there are less than 25,000 employed, and they are employed only two or three days out of the week.

The condition of those people can only be imagined. The condition of the localities which are dependent upon that industry can only be imagined. Towns are deserted; cities are without activity. The condition, of course, can be duplicated to a certain extent all over this country of ours, but I do not know of any similar section of the country where those engaged in a particular occupation make up the great mass of the population. The source of prosperity and of happiness to those people and to the communities they inhabit is the lumber industry.

It is in behalf of those people, it is in behalf of those localities and that industry that I am appealing to the Senate for the adoption of this amendment.

I want to say frankly that I do not know whether it will bring the relief we hope for or not. I hope it will bring relief. It may bring some revenue. If imports of lumber come into this country, of course, we will get revenue under this tax. If no such imports come in, then there will be no return from the tax, or whatever we may call it. It is not to be levied upon the people, it is not levied upon the different localities, it is simply to be levied upon the imported articles.

If no lumber from other countries comes in, I expect a development of our own lumber industry. Our imports of lumber from Canada during the last period for which I find information amounted to something over six or seven hundred million feet, mostly of the class of lumber covered by this amendment. So that if no imports from Canada enter our country, we may expect an impetus to our own industry.

There will be some market in this country, possibly. We hope it will improve, and that our people will get it, assuming that there are no imports. As I said, if lumber is shipped in under the tax, we will get the revenue, and to that extent it is a revenue proposition.

The Treasury states that on the ordinary imports which we may expect now the revenues would amount to a million dollars; but the primary purpose, I am frank to confess, is to help our people if we can possibly bring them any help.

I appreciate the argument that is made that this provision should not be in this bill; but it is here, and the other tariff items have been put in. If this will bring some relief to labor, if it will help the labor of our country and furnish them support for themselves and their families, it will be well worth the approval of the United States Senate under the conditions which confront us now.

As I said, the lumber industry is the main industry of those sections of the country. There are no other great industries there. Of course, all the industries in the country are affected by the general stagnation; but where there is a section of the country which depends so largely upon an industry of this character the suffering and the distress



are far greater when that great industry is upon its back. That is the situation which confronts us to-day in the lumber industry.

This may not bring the relief we would like to have. We hope that it will. If it does not, it will hurt nobody. This relief ought to be given. It appears at least to me even more strongly than the other items which we have passed upon, but I have been glad to give my support to them. I am especially glad to give my support here, and to appeal to this body to give the relief that we naturally expect to come from the imposition of a tax which, as I said, will not add one cent to the price paid by the consumer. It will add no burden to anybody in the country if nothing is done by it, and it may help start these mills to work which employ the men who are now without employment and who will get the wages that will furnish comfort and happiness to their homes and families.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Louisiana?

Mr. JONES. Certainly.

Mr. LONG. The lumber industry is one industry which no one can accuse of being a monopoly. It is scattered among thousands and thousands of different people. There is no tariff duty that I know of which would be so generally distributed among so many thousands of people in the business as a lumber tariff.

Mr. JONES. The Senator is right in that suggestion. I appreciate very much his statement in regard to it.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Maryland?

Mr. JONES. Certainly.

Mr. TYDINGS. I am totally unfamiliar with the lumber situation. I wonder if the Senator can tell us what is the annual production of lumber and what the importations are and from what countries the importations come?

Mr. JONES. The total production of lumber in this country, according to my recollection, although I have not looked it up especially, is something like 4,000,000,000 or 5,000,000,000 feet. I think it is even greater than that, although I do not know just what the exports are. We did export 2,000,000,000 or 3,000,000,000 feet. The principal source of competitive production is right adjoining our country. The fir and spruce and classes of lumber like that are produced largely in British Columbia. According to the report of the Tariff Commission, which was made just a short time ago, they could lay their lumber down in New York City at about \$3.50 less than we could.

It is also true that they have the advantage of all sorts of transportation facilities. On the sea they have foreign ships as well as local ships. Our people are confined by our law to the coastwise trade. It is also true of Canadian lumber interests that they are favored by the railroads and their transportation facilities. The railroads give rebates of various kinds. If they want to encourage an industry, they do it directly. They do it many times by their railroads giving better rates to the industry. They give better rates and they give rebates for the transfer of their lumber products and the products of their lumber industry to get them to the markets of the world. This gives the Canadian lumber interests a very great advantage. They have all sorts of advantages of that sort.

I have had some complaints from the fruit section of our State. They say if we give this rate, Canada will take advantage of it and retaliate against us. Canada is already doing that. Canada has been doing it. I do not say they have been doing it for retaliatory purposes. I say they have put upon the products that come into their country such duties as they think are to their interest. I do not complain of that. Of course, if it is intended as a retaliatory measure, if it is intended to retaliate, that is a different proposition; but if they are looking after their interests, looking after the interests of their own people and their industries, that is exactly what I want the Congress to do for our interests. That is what I want our people to do—to do that which will

develop our own industries and those things which will favor our own people and help them in every way that it is possible to do.

What have I said to those fruit producers? "Your market is already gone if the restrictions of Canada will take it away," but further the very best market that can come to our fruit people is the market of a prosperous, happy, and contented labor in the United States. The 125,000 people with their dependents of 200,000 or 300,000 will make a far better market for the fruit of the Yakima Valley and the Wenatchee Valley and other fruit-producing sections of the State of Washington, than any market they can possibly get in Canada. If we can produce our fruit cheaper than they can, they have the market for it and they will come and take it unless perchance they may think we are trying to retaliate against them. That we are not attempting to do. We are simply looking after the interests of our own people and our own industries.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. I yield.

Mr. KING. I hope I am not interrupting the Senator in the continuity of his argument. I ask the Senator if it is not a fact that during the calendar year 1929 the total production in the United States of lumber was nearly 30,000,000,000 feet whereas the total importations of Canadian lumber were only 1,315,000,000 feet.

Mr. JONES. That may be true. As I said a while ago, I do not remember the exact figures.

Mr. KING. And our exports exceeded our imports.

Mr. JONES. That may be true. This is a great country. This is a great people. We may produce a great deal of lumber in this country and consume a great deal of lumber, but the kind of lumber that competes with Canada and that may be displaced by the forests of Canada comes from a certain section. That is especially the class of lumber against which we are seeking to protect our people. But the main thing, as I said, is the possible help that may be given to encourage the development of the lumber industry from the condition in which it now is.

The general principles of a tariff apply to this article just as much as they do to others. The condition which confronts this industry, the condition which confronts our people now, is the condition which we hope to deal with at least to some extent. It will not harm our people. It may help them. We do not know whether it will help or not, but if it does keep any foreign lumber out and we need something to take its place, we will furnish it and we will have it and that will start American labor to work and will start our mills to operating.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from South Carolina?

Mr. JONES. Certainly.

Mr. SMITH. The Senator is pleading now for pure protection and not for revenue. If there is any revenue it will be incidental. What he is pleading for is that there shall be an embargo or stoppage of this foreign lumber so that the producers of the American product may have the advantage of the American market.

Mr. JONES. I do not think it is an embargo; but, practically, that is what I am appealing for. I will say that frankly to the Senator.

Mr. SMITH. It is very refreshing to hear the Senator state just what we are driving at in a tax bill. [Laughter.]

Mr. JONES. I do not think that is a proposition about which we should worry. When the bill came over from the House of Representatives it had two items in it, not for revenue but for protection. We have a perfect right to put them in here, and if the Senator can present any proposition that compares with the lumber situation, the situation which confronts our people, I shall be glad to vote for it.

Mr. SMITH. I am not attempting to excuse those who are responsible for the initiation of this bill. I do bemoan



the fact that the old historic party to which I belong and to which I have paid allegiance should, in this hour of the travail of America, when we are now considering a bill for the home builders, when there is a bill pending now to provide a plan by which the poverty-stricken and the homeless may have homes, in the same breath be seeking to put an additional price on the material that those poverty-stricken classes must depend upon. Is it true that because it has been contemplated that we shall advance money to those that are without homes in order to enable them to get homes, yet now we are providing the means by which the money that they spend shall go into the pockets of those who produce lumber and not in aid of those who build the homes?

Mr. JONES. Because we do not do one good thing is no reason why we should not do another good thing. I will help the Senator on matters of that kind. I am willing to stay here as long as necessary to take care of situations like that. But does the Senator think that is an excuse for not taking action that we think will do good? Of course, I do not ask the Senator to violate the fundamental principles in which he believes, and I do not criticize him for not doing it; but, as I have said from the beginning, while, of course, this is to a certain extent a protective measure, it is not framed as it would be framed if it were primarily intended as a protective measure. It is intended to meet a peculiar situation that confronts our people and in which at least 750,000 are directly interested; and if it does good, so much the better.

It may be like some other proposals we carry out in the belief that they would do some good, but we eventually find they do not. If it shall do some good, as I believe and hope it will, it seems to me we are justified in doing it, especially under the circumstances presented to us. Of course, it is in accordance with the fundamentals in which I believe, so that I have no compunctions whatever in supporting it.

I do not complain of the Senator looking at it in another way, but I do appeal to Senators, under the peculiar conditions that confront us, with the possibility of some aid to 750,000 people, not to stand upon some technical proposition that this is a tax bill and not a tariff bill, but to relieve these people under the peculiar conditions that confront us.

Mr. SMITH. I just want to make this one further observation. I am just as sympathetic with those who are dependent upon the production of lumber for a livelihood as I am with any others who are suffering.

Mr. JONES. I know the Senator is.

Mr. SMITH. But I can not get the viewpoint of an American legislator that in order to help 150,000 or 200,000 people he should multiply the burden upon 120,000,000 people. That is the vice of this class legislation called the protective tariff. I would join the Senator in voting three or four dollars a thousand on lumber if I could devise some means by which I could furnish the purchasers of the lumber the extra three or four dollars per thousand to buy it. But I do not feel that I am justified in benefiting a certain class and at the same time subtracting from the other class that which they can ill afford to pay.

Mr. JONES. I am not going to take the time to argue the principles of a protective tariff. In my judgment, there will not be a solitary cent of the \$3 added to the price which the retailer will get for his lumber or which the actual consumer will pay when he gets his lumber. The Senator may not agree with me in that, but I am just as strongly of that opinion as I can possibly be.

Mr. NORRIS. Mr. President—

Mr. JONES. I yield to the Senator.

Mr. NORRIS. The Senator said a few moments ago that one reason for taking this item up was because the House had put it in the bill. I am unable to find it in the House bill.

Mr. JONES. I did not mean that the House had put the lumber item in the bill. The Senator misunderstood me.

Mr. NORRIS. I obtained that impression from what the Senator said.

Mr. JONES. No. The House put in the bill the oil and coal items, which made the pending measure what might be called a tariff bill, and so we were justified in putting in the lumber item.

Mr. NORRIS. Following the same theory, the same justification would apply to any other commodity that any Senator feels ought to have additional protection?

Mr. JONES. I have no question about that at all.

Mr. NORRIS. I am glad to have the Senator's honest judgment as to that, and I commend him for it.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Florida?

Mr. JONES. I yield.

Mr. FLETCHER. Will the Senator tell us what the existing duty on lumber is? Is it \$1 a thousand?

Mr. JONES. The existing duty is \$1 a thousand where the lumber is planed and dressed on more than one side. I think that is the provision of the existing law; I have it before me.

Mr. FLETCHER. Would this item increase that duty?

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. STEIWER. Mr. President, in answer to the question propounded by the Senator from Florida, let me say that the present duty under the existing tariff law is \$1 a thousand upon five botanical species of softwood lumber, provided the lumber is dressed upon more than one side. In practical operation about one-half of the softwood lumber that is brought into this country comes in duty free and the other half is dutiable at the rate of \$1 per thousand.

Mr. JONES. That is correct. I have the provision of the law before me, and will read it to the Senator from Florida if he desires.

Mr. FLETCHER. I read it not long ago, and I do not care for the details. I think I understand the present law. I was trying to secure information as to the pending item. As I understand, it provides a different classification and increases the present rate of duty?

Mr. JONES. It increases it, I will say to the Senator frankly. It provides for the same tariff on undressed lumber as on dressed lumber. In other words, as I said at the beginning, I did not frame this amendment for the sole purpose and idea of carrying out the protective-tariff theory. If I had done that, I would have framed it differently, but I framed it not only for that purpose but in order to get revenue and to meet the situation which appeals most strongly to me and most strongly to the section of the country from which I come.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. I yield.

Mr. KING. My understanding is that the Tariff Commission made an investigation and found no justification whatever for an increase in the tariff upon lumber. Is my information correct?

Mr. JONES. The Senator's information is correct, but let me say that that report was made last fall.

Mr. KING. Oh, a few weeks have passed.

Mr. JONES. The Senator does not think that amounts to anything, but conditions have been getting worse and they are still getting worse in that section of the country. They were bad enough at that time. I may say, however, that I do not think the Tariff Commission were justified in making the report which they did make. For instance, they found that Canadian lumber can be laid down in the city of New York for more than \$3 a thousand less than our lumber mills can lay it down there. That in itself makes a very great difference.

Mr. KING. May I interrupt the Senator further?

Mr. STEIWER. Mr. President—

The PRESIDING OFFICER. To whom does the Senator from Washington yield?

Mr. JONES. I yield first to the Senator from Utah.



Mr. KING. Our Republican friends—and I say it in the utmost kindness and not for the purpose of paying them a compliment—have indorsed the Tariff Commission and have said that if we could have a commission scientifically to investigate certain factors involved in production the zenith of perfection would be attained and that we could then have scientific tariff measures. Now, the Senator from Washington, one of the ablest men in public life, and a man whom we all love, is abandoning the fetish which he and his associates have worshiped and is admitting that the Tariff Commission and its findings are unimportant.

Mr. JONES. The Senator is not justified in making that statement, and I am quite sure he does not intend that it should be taken just the way it sounds. The Tariff Commission may make some mistakes once in a while; it is not a perfect body; but I believe in it; I think it is a good thing. I frankly said to the Senator it found as a general rule that the cost of production in Canada was substantially the same as in this country. It does find, however, that Canada can lay down lumber for about \$3 a thousand cheaper in New York City than we do. That is quite an item. Our market is along toward the East and in the eastern cities, and, as I have said, the conditions are worse in our section than they were even last fall or last year. That is the condition that we want the Congress to correct. That is the condition that we want the Senate to try to do something to help us to meet and better just a little bit if it possibly can.

I am not going to argue with the Senator about the merits of the Tariff Commission. I myself believe in that body; I believe very much in it as it is now constituted.

Mr. KING. Theoretically.

Mr. JONES. No; I think that practically it is about all right.

Mr. KING. Mr. President, will the Senator yield further?

Mr. JONES. I yield.

Mr. KING. By way of levity, may I say that while the Senator denies infallibility to the Tariff Commission, he certainly gives infallibility to the President of the United States.

Mr. JONES. No.

Mr. KING. And the President has approved the findings of the Tariff Commission by not changing them.

Mr. JONES. Oh, no, Mr. President. I do not even give infallibility to the President of the United States; I do not care to bring the President of the United States into this matter. Of course he has approved the report of the Tariff Commission, but probably he has not given it the study and consideration that the Senator and I would give to a matter of that kind, because we have much more time, perhaps, than has the President.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. JONES. I yield.

Mr. STEIWER. I do not like to intrude upon the remarks of the Senator from Washington, but I should like, in my humble way, to assist him in relieving the distress of mind from which the Senator from Utah obviously is suffering. It is my understanding that, although the report of the Tariff Commission was finished comparatively recently, the inquiry was made as of the year 1929. In that year the consumptive requirements for all lumber in this country were over 34,000,000,000 feet. In the last year the consumptive requirements were something like 12,000,000,000 feet, a loss in consumption of nearly two-thirds of the entire amount. For the present year the prospect is for a still more limited market. Besides that, a great differential has been created between the currencies of the two countries since the year in which the investigation was made by the Tariff Commission. That differential of 10 per cent applies not only upon the original sales price but upon the delivered price, and includes the cost of carriage, so that there are added to the differential which the Tariff Commission actually found in favor of the Canadian manufacturer, and which, as the Senator from Washington said, is something

like \$3 a thousand feet laid down in New York, these new differentials which create an actual difference in the cost of production of something like five or six dollars per thousand.

So, Mr. President, it is no reflection upon the Tariff Commission, nor does it imply that anyone is criticizing the Tariff Commission if to-day we contend for something against which the Tariff Commission found in the year 1929. I have no doubt at all that if the Tariff Commission would investigate anew this question they would find the differences in the cost of production abroad as I am stating them here.

However, there is one consideration which seems to be utterly lost sight of, and that is that the Tariff Commission, as the Senator knows, can not remove an article from the free list to the dutiable list. Substantially one-half of all the lumber that is brought in is now on the free list, and as to that lumber there is not any hope in the world of the American producer getting any relief through the Tariff Commission. The only relief they can secure is the relief proposed by this bill in this Congress.

Mr. TYDINGS. Mr. President, will the Senator from Washington yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Maryland?

Mr. JONES. I am ready to yield the floor.

Mr. TYDINGS. I desire to ask a question, merely for information. The Senator knows more about the lumber situation than I do. I have had no opportunity to study it. I should like to ask him what amount of revenue does he think the proposed tariff duty on lumber will yield?

Mr. JONES. The Treasury Department reported they thought it would yield \$1,000,000.

Mr. TYDINGS. Would it constitute a complete embargo against foreign importations?

Mr. JONES. I do not think so.

Mr. TYDINGS. Does the Senator think that about as much lumber as now comes in would come in if the tariff duty were imposed, except that it would have to pay the tax?

Mr. JONES. I would not be surprised if substantially as much would come from Canada as heretofore, although, as I have said, I should like to see much of the foreign importations eliminated so as to encourage development in this country.

Mr. TYDINGS. I appreciate the Senator's frankness; he is always frank; but what occurred to me is that, of course, if lumber does not come in, we will not get revenue; and if lumber does not come in, our men will not get the jobs in connection with lumbering, so that we have either got to give up revenue or work; and I was wondering which or what portion of each we would lose.

Mr. JONES. I tried to make it plain a while ago that that is what might happen. I do not know for sure what will happen, but if lumber does come in we will have that much more revenue, and if it does not come in, then our people will be encouraged that much more. I am not sure which will happen.

Mr. TYDINGS. Of course, if it does not come in we will not have the revenue.

Mr. JONES. No; if it does not come in, we will not get the revenue; but if the market demands more lumber, our people then will furnish it and our labor will get the benefit of it. That is what I hope will happen.

Mr. TYDINGS. I appreciate that, and what I hoped was that, simply for my own information, I could elicit on the floor from someone who has made some study of the question, whether or not we were more likely to get the revenue or were more likely to get the work which would be available to American workmen if lumber were not imported.

Mr. JONES. I am willing to confess to the Senator that I hope we will get the work.

Mr. TYDINGS. And get no revenue?

Mr. JONES. And get no revenue.

Mr. TYDINGS. The Senator is an honest man in a body that sometimes is not quite as candid as is he.



Mr. JONES. Mr. President, I have said all I care to say. What ought to be said has, I think, already been said here, and so I yield the floor.

Mr. SMITH. Mr. President, before the Senator from Washington sits down, I should like to ask him a question for information. Has the Senator the figures showing the consumption of lumber in 1929, 1930, and 1931? I understood that the consumption in 1929 was something like 30,000,000,000 feet, was it not?

Mr. JONES. The Senator from Utah read those figures, and I have no doubt they are correct. I do not know what year it was, whether it was 1929 when everybody was prosperous and things were going rapidly, or not.

Mr. SMITH. I should like to ask the Senator from Oregon a question. I understood him to say a few moments ago, when he was making a statement in the time of the Senator from Washington, that there was a decrease in the consumption of lumber in 1930 and 1931 as compared to 1929. Will the Senator repeat the figures as to the consumption of lumber in this country?

Mr. STEIWER. For the year 1929 the figure was something like 34,000,000,000 feet. I think I did not state the figure for 1930, but in 1931 the figures supplied to me showed a consumption of something like 12,000,000,000 feet.

Mr. SMITH. That is lumber consumed in this country?

Mr. STEIWER. Yes.

Mr. SMITH. To what does the Senator attribute the falling off?

Mr. STEIWER. The Senator is asking a very difficult question.

Mr. SMITH. The Senator was talking about free lumber coming in. It seems as if the freer a commodity is and the cheaper it is, the more would be consumed; but it appears that in the case of lumber the consumption has dropped off more than a half. So instead of there being 34,000,000,000 feet, as in 1929, there were only about 12,000,000,000 feet consumed in 1931. The only thing that I could attribute that to would be the poverty of the building industry, their inability to get money wherewith to build, and the inability of the people who wanted houses to pay for them. Now, in order to aid that situation it is proposed to add about \$3 a thousand more on them so as to encourage the use of lumber. The higher the price is put the more the people, poverty stricken as they are, are expected to use. Where is it proposed to sell the stuff? If, when it is free and cheap, the consumption drops off two-thirds, what does the Senator expect it to do when the price is raised?

Mr. JONES. Mr. President, I desire to refer to that statement. This \$3 is not put upon a foot of lumber that is produced in this country. This \$3 is put upon the thousand feet that is imported into this country.

Mr. SMITH. Exactly.

Mr. JONES. If it is not imported, it is not put on anything.

Mr. SMITH. Yes, sir; and if the people can not get that lumber they will have to buy yours and pay \$3 more for it.

Mr. JONES. No; they will not. There is where the Senator is wrong about it.

Mr. SMITH. Then they will not buy any lumber at all.

Mr. JONES. Yes; they will buy lumber.

Mr. SMITH. What sort?

Mr. JONES. There is competition among those people, and they will sell their lumber at just what the market will give them. There is competition, you know, in this country. The lumber is not all sold or handled by one firm out in our country.

Mr. SMITH. I understand that.

Mr. JONES. I do not know how it is in the Senator's country.

Here is the only answer I have: This \$3 is put on foreign lumber.

Mr. SMITH. I know it is.

Mr. JONES. The man who buys domestic lumber does not pay a cent of it.

Mr. SMITH. I know he does not; but the Senator will have to excuse me. The people are buying foreign lumber

because they can get it cheap, and they put your people out of commission. Now, you want to put a duty on that foreign lumber and stop its importation, and force them to buy yours. Of course not a dollar of this money would be spent with the foreigner, for, by George, he could not get his lumber in here, but it would be spent with you.

Mr. JONES. Apparently there is no use in our spending any time in arguing that, because, in my judgment, the purchaser would not pay a cent of that \$3 to me unless I had a monopoly of the domestic lumber and there was a great demand for it. I would not get a cent of that \$3 in that instance. If the Senator can not see it any other way, however, and thinks that because Congress authorizes a tax of \$3 a thousand on foreign lumber the domestic producer will put \$3 on his product, I can not convince him to the contrary. I know to the contrary, but the Senator has not the same knowledge that I have. He does not look at things in the way that I do.

Mr. DILL. Mr. President, will my colleague yield for a suggestion?

Mr. JONES. Yes; I am through.

Mr. DILL. I desire to call the attention of the Senator from South Carolina to the fact that since 1929 the average price of lumber has decreased from \$20.63 per thousand to \$13 per thousand, and it is still going lower; and the oversupply of lumber now on hand is so great that there is not a possibility within the next year, at least, and probably two years, of this import tariff affecting the domestic lumber.

Mr. SMITH. Yes; Mr. President; and the price of everything else has gone down. The price of cotton has gone from 30 cents to 5 cents, the price of wheat has gone from \$2 a bushel to 25 cents a bushel, and the wages of the laborers of the country who are fortunate enough to have jobs have been cut half in two and the balance of them turned out in the blotting-paper crowd. If we are going to bolster up these industries, in the name of the God of Justice let us give back these people their jobs and give them full wages. If we are to come here and bolster up lumber, bolster up oil, and bolster up copper, in the name of the God of Justice let us bolster up the jobs and the wages of the laboring people.

This is a country for us all. It is not right for us to stand here and pick out some favored classes and legislate for them and leave the mass of the American people helpless and bankrupt.

Mr. TYDINGS. Mr. President—

Mr. SMITH. I yield.

Mr. TYDINGS. The Senator from South Carolina is in only the first phase of this matter, may I say, because I want to point out to him that first of all we are going, as he says, to increase the price of lumber, but later on in the session we have a bill coming in here known as the home bill, to take care of the home. Then we are going to do the usual thing. We are going into the Federal Treasury to get the money to lend to the man who wants to build a home upon whose materials we have already increased the price by this tariff.

Mr. SMITH. And we are going to have the money we provide paid to the man who is the beneficiary of the tariff, namely, the man who furnishes the lumber.

Mr. TYDINGS. That is right. It comes right back where it started.

Mr. SMITH. My mentality is such that I can not grasp these great, big problems that with just a turn of mind can make black white and make white black. I can not do that. I can not see how we can add to the price of a thing and not add to the price. I am unable to see how we can add \$3 a thousand to lumber and not increase the price of lumber. I utterly fail to see that.

Mr. President, this paradox that confronts me in my limited mental processes seems to have confronted us all. Here we are in the midst of the greatest distress that America has ever seen. Those who just a few months ago were rich are now poor and those who were then poor are now paupers. The leveling process of this deadly thing has brought about a condition that has bankrupted the States.



They can not meet their obligations. It has even threatened the Federal Government, we are told. In the midst of this universal poverty, we come here with a bill adding still greater burdens to those that the people already are groaning under, committing suicide under, and losing their homes under. We come here with a tax bill of a billion dollars that reaches into every home and adds a Federal tax to every commodity in the country, for we need not deceive ourselves. When we impose a tax, be it an income tax or any other, it will, under the natural law of gravitation, settle upon the man on the ground.

Here we are in the midst of this distress. Instead of finding a means of starting the wonderful wealth of this country to moving, instead of breaking the crust and letting commodities begin to move, we are here spending our time and our energy in attempting to bring about the restoration of prosperity through the imposition of tariffs at the top of the list; and what has happened with the two-billion-dollar Reconstruction Finance Corporation? From the day of the enactment of that law until now the market has either been stagnant, static, or has gradually declined.

The mass of the people have no voice here. I have sat here and listened to this plea for oil; I have listened to this plea for coal; I have listened to this plea for lumber; I have listened to pleas to increase the price of these few representatives of the great, diversified industries of this country; but I have not heard one word as to what we are going to do to increase the consuming capacity of the masses of the people. When we begin to talk about extending aid to those who are in dire need of it we are met with the expression, "They have had too much credit already."

It reminds me of what Pat said to Mike when Mike was riding an old horse so poor that every time he took a step he reeled. Pat said, "Mike, why in the name of God, don't you put more flesh on that horse's bones?" Mike replied, "Hell! He can hardly walk with what he has got. What would he do with any more?" [Laughter.] That seems to be the philosophy of our legislatures in reference to the masses of the people.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Massachusetts?

Mr. SMITH. I yield.

Mr. WALSH of Massachusetts. The Senator has very ably pointed out the burden which these tariff duties would impose upon the masses of the people at this particular time. I desire to call his attention to the fact that this duty on lumber of \$3 per 1,000 feet is the same upon the lumber that the poor buy at \$12, \$15, and \$20 per thousand as it is upon lumber that costs \$150 and \$200 and \$250 per thousand feet, used as mahogany paneling in the homes and in the offices of the well-to-do. In other words, in addition to the serious general burden upon the poor that all tariff duties are, this tariff levies an ad valorem duty of 33 1/3 per cent upon the lumber of the farmer and the poor home owner, and a duty of only 1 per cent upon the lumber of the well-to-do.

Mr. SMITH. I thank the Senator, and, Mr. President, while I am on this point, there is another contradiction in terms.

We have an organization for the conservation of natural resources. One of the main things I have heard discussed on this floor, and have heard the changes rung upon it, is the preservation of our forests, the reforestation of our depleted watersheds, the rapid disappearance of our standing timber. When other countries say, "All right; just rest a while from the destruction of your forests and we will furnish you all the lumber you need cheaper than you can furnish it yourselves," with one breath we vote to spend money to save our forests and with the next breath we vote to levy a duty to keep other people from helping us do it.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. STEIWER. There was a time in this country when the rate of cut was greater than the rate of growth, but under present conditions the rate of consumption is so cur-

tailed that all the authorities agree that we are producing lumber faster than we are using it. So the old conservation argument that was made 25 years ago no longer has the force that it formerly had.

At the time that we were destroying our timber stands faster than they were growing the conservation argument was a valid and proper argument to be used, but I submit to the Senator that now, when all of the authorities say that the reproduction is considerably in excess of what we can cut and use, the conservation argument is no longer what it used to be.

Mr. SMITH. Mr. President, I can speak from experience, and more or less authoritatively, about my section of the country. In the old days there was no timber in the world known to the timber people which could compete with the yellow pine of the South. It was so rich in turpentine that it preserved itself. Stumps in some of the fields in my section of the country were there during the Revolutionary War. They are practically indestructible. That forest is gone now forever. We have a quick growth, comparatively, known as the old field or slash pine, but it takes from 15 to 20 years for it to reach anything like milling condition, and when it does reach it, it is a very inferior kind of lumber. So that I know that in my section the available lumber trees have gone, and another generation will pass before we will have anything like lumber again.

Be that as it may, I say that the American people, home builders and home lovers, are entitled to get the lumber to build their homes wherever they can get it the cheapest. You have no right to subject the home builder to the necessity of having to pay an additional price for his home for the benefit of another American citizen, without granting that home builder some means of getting the extra price to pay for it.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. LONG. On the theory of a home owner having the right to build his home at the very best price, what would be the Senator's objection to letting Chinese labor come in without immigration restriction to build the houses for these people?

Mr. SMITH. Somehow or other I think there is a difference between a man and a house; though sometimes I doubt it. What I mean to say is that when it comes to the question of the American people being protected unless we can protect them all; we have no right to protect a few at the expense of all.

Now, Mr. President, I want to say something about this bill. I think it is a shame that this bill has been brought into the Senate to balance the Federal Budget before we have aided the people to balance their budgets, as the Senator from Idaho said the other day. There is not a State in the Union which could to-day take the income it has and meet the outgo. Or, if there are such States, there are very few of them. The teachers of the youth of the land throughout the several States are deprived of their salaries. Teachers of the city of Chicago can not collect their salaries, due to shortage in the municipal income of that city. Teachers in my State are asking that the certificates from the State shall be made eligible for discount at the member banks of the Federal reserve system, so that with an amendment to the act the Reconstruction Finance Corporation can benefit those people who have devoted their lives to teaching. Throughout the country we find bankruptcy, mortgages, and debt, and we are here to-night, as the result of the maladministration of our affairs, adding a billion dollars to the already overburdened and distressed American people.

The Senator from Oklahoma, speaking here to-day, said the doctrine of Jefferson was that when you were hit you should hit back. The other nations of the earth followed Thomas Jefferson, and when we erected that crime known as the Smoot-Hawley law they hit back, every nation on earth hit back. They said, "You have all the gold; we can not buy without gold. You demand that we shall pay you



in gold; we have not the gold, but we will pay you in kind." We said, "No; you shall not dump on us, either." We had all the gold, and erected tariff barriers; and here we are drowning in our own fat.

The whole trouble began when we erected a tariff wall against the outside world, which had been depopulated and financially ruined, not because of any selfishness on our part but because we had been favored with almost illimitable resources, and to the beleaguered nations of the earth we extended credit and succor during the time of the war. Thank God, we furnished the men and the means that brought a happy ending to the miserable world conflict. We extend them aid and sent them men; and then, when pay day came, we found ourselves in possession of a major part of the monetary gold of the world.

The nations asked to trade with us. They had no other means of reviving their industry; they had no other means of even paying us in part. We said, "We will not become a dumping ground." Therefore we erected that monstrous thing known as the Smoot-Hawley bill; we shut the door to the nations of the world and kept out gold, but demanded that they pay us in gold. They did not have the gold with which to pay us, and we refused to accept their exchange in kind. So we have arrived to-night at the logical consequence of this miserable thing known as a high protective tariff. It is the logical result.

Thank God, I have one thing to my credit, if nothing else. I voted against every schedule in that miserable thing and then voted against the whole bill. I had the unique distinction of being the one genuine, simon-pure, unreconstructed and unterrified Democrat in this building. [Laughter.] Thank God, the result has justified my position.

Mr. SMOOT. Mr. President, I do not want to answer the Senator, but his statement is very easily answered.

Mr. SMITH. I know it is.

Mr. SMOOT. I would like to get this bill passed; and if it is going to do any good, let it come just as quickly as possible.

Mr. SMITH. You started in in a poor way to do good. Here you are going to add to the iniquity you have already perpetrated. [Laughter on the floor and in the galleries.]

Mr. SMOOT. The "iniquity" I have already perpetrated is the Senator's opinion.

Mr. SMITH. Yes.

The PRESIDING OFFICER. The Senate will be in order. The Chair desires to admonish the galleries that the rules of the Senate forbid demonstrations. The Chair will ask the occupants of the galleries to please respect the rule.

Mr. SMITH. Mr. President, I would be lenient with the audience. God knows they have very few things to divert them in these days of Republican rule; and if in this performance they can get anything to divert them from the horrors they have at home, let them laugh. I do not object at all.

Mr. President, I do not feel, honestly I do not feel, like bringing a railing accusation against my colleagues on this side. It is not a very pleasant duty. But those over on the other side are so clever, and their association has been so intimate, that they have horribly corrupted some on my side. That is what is the matter. [Laughter.]

Mr. President, there is no use going over the same thing. A false principle wrought into real law will work itself out in disaster, and for 60 long years and more an intensive form of high protection has been the order of the day, with just minor checks given by two Democratic administrations. Here in 1932, with more textiles than we know what to do with, with more wheat than we know what to do with, with more meat than we know what to do with, with more building material and more facilities for fabricating homes and the comforts of home than we know what to do with, 10,000,000 people are barefooted, hungry, and naked, and those who are not that low, stand terror stricken, knowing not what to-morrow may bring forth an indictment of the intelligence of those of us who presume to fashion the law under which these trusting individuals live.

Tantalus standing chin deep in water and finding it impossible to get a drop to drink.

Wheat rotting in the bins and men starving on the streets.

Meat actually piling up in our abattoirs and men hungry, Tatters and rags, the Red Cross hunting old clothes to dole out to an American citizen, and wool and cotton can not find a market.

We certainly are an intelligent bunch. [Laughter.]

In former years we might have said this condition arises because we are more or less dependent upon foreign markets, and can not hear for a good long time from those markets. The facilities for transportation and communication are so perfect now that China is nearer to this Chamber than the White House was 50 years ago. We are one great big family, encircling the globe with our radios and our telegraph, carrying our mail and our light merchandise through the air and in palatial merchant vessels, making us one great community, a democracy of the universe. Yet, with a stupid adherence to an effete financial system, we allow the peoples of the earth to be poverty stricken and beggared because we have not the courage to face the issue and find the solution.

Here to-night and this afternoon, invoking an old policy that has bankrupted America; here to-night, on a little handful of coal that slips into the city of Boston, you penalize every shivering individual who seeks to warm himself in the bitterness of winter, in order to protect a coal monopoly. You are sending the poor, shivering individual who has been made homeless by this stupid attitude of our lawmakers out on the street to wander about because he can not pay the additional \$3 a thousand on lumber. You will take the cotton and wheat growers of the West and the South and add a half a billion dollars annually on their backs to meet the modern method of motive force and power in the form of the internal-combustion engine, because some man bores a hole in the ground and taps that which God manufactured for us. You will penalize every man who ought to be the beneficiary of this providence of God that is placed in the bowels of the earth against our need and the development of our genius.

You are penalizing every man who adapts himself and uses this motive force, and you lay upon the impoverished farmers of this country a half billion dollars in order to enrich a few so-called independents.

Mr. President, in the name of the American people, who is going to pay these bills? Stripped now, what is the use of making a plea to the people? They do not pay anything in at election time. Trace this infamous proceeding back and it will be found to wind up where the contributions came from to carry an election. We are not fooling anybody. Perhaps it is enough for me to wind up what I have to say in the wonderful words of that marvelous genius where he said:

Through tatter'd clothes small vices do appear;  
Robes and furr'd gowns hide all. Plate sin with gold,  
And the strong lance of justice hurtless breaks;  
Arm it in rags, a pygmy's straw does pierce it.

Oh, Mr. President, that is the theory and that is the philosophy which is governing us all. Cumulative to that, Woodsworth put into the mouth of Bob Roy the slogan of all time:

The good old rule  
Sufficeeth them, the simple plan,  
That they should take who have the power  
And they should keep, who can.

Under modern conditions that doctrine will bring warfare, rioting and bloodshed, and God knows how far we are from it in this country at this time. Just how much further can we go without opening the doors of opportunity to these millions who are sitting in these galleries and outside filled with a nameless fear? Just so sure as there is a God above us, the people of this country are losing confidence in their government, both local and national, and God help us when that confidence is entirely gone.



I have sat here day after day. I have not been so discouraged in all my life as I have been in the consideration of this tax bill. It was enough, God knows, that you and I were called upon to add one jot or tittle to the suffering of the masses of the people. It seemed to be necessary that we must get some revenue direct and not in the form of bonds to meet the expenditures of the Government. But when there was injected into it the opportunist, who saw some kind of an excuse to slip in the greedy hand of a protective tariff for the benefit of a few at the expense of the many, I gave up.

Mr. President, I do not believe that democracy has ceased to exist—the grand old doctrine of equal rights to all and special privileges to none. Have we heard the cry of special privilege in this the hour of the Nation's travail? I would have felt sad enough and disappointed enough if I had heard it from those whose immemorial doctrine was "fleece the masses for the benefit of the classes." But when that doctrine found a foothold on my side of the Chamber in this hour it was almost more than I could bear. It was bad enough when we were discussing a pure tariff bill, but when, in the sad task of taxing an impoverished people, we are asked for a rake-off for certain monopolies and corporations, it was going too far. I will join any Senator in doing what the Senator from Idaho [Mr. BORAH] said we should do: Let us balance the people's Budget and thank God they will balance ours; but if we unbalance theirs, as we have done, they will unbalance ours.

Mr. President, I am afraid to go on any further. I really am. I want to get back to the old doctrine. It is the only thing that will ultimately save the country, and that is that no matter how expedient it may seem; no matter how plausible it may seem; no matter how one's promotion and election may hang on it, he has no right to tax all the people for the benefit of a special privileged class. He can not justify it, I do not care how good the principle may be.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SMITH. No; I will not yield now. I expect to yield the floor in a moment.

It does not make any difference how good the principle may be, I state this as a fact, that no matter how theoretically and abstractly perfect a principle may be, if the only policy that you can adapt to it impoverishes some and enriches others, you have no right to put it into operation.

Mr. President, I can not understand the viewpoint of those who are willing in this hour to impose even the burdens of this tax bill on the American people. I have been in the Senate 23 years. I never heard before about balancing a Budget. Sometimes I think it is a camouflage to hide something else, but I shall not dwell on that. If we can issue \$2,000,000,000 of bonds to underwrite the papers of certain industries that seem to be in jeopardy, why could we not issue \$2,000,000,000 of bonds to meet our obligations and amortize them over a period of years and not impose this burden on the American people in this way? I do not feel like voting for a single thing in this bill, not a single thing. Taxing the American people who are coming to us and pleading with empty hands and breaking hearts for relief, we answer them with this stone. Asking us for bread, we give them \$1,000,000,000 in taxes. Asking us for a home, we charge them \$3 extra on the lumber. Asking for the power to move themselves, we place an extra tax upon their oil and gasoline. They say, "We are cold and want warmth." We say, "All right; go and pay a tribute to anthracite and bituminous coal companies, and then get warm if you have the wherewith to get the coal."

So far as copper is concerned—

Mr. BROUSSARD. Mr. President, why not give the people 2.75 per cent beer and let them have what they want? [Laughter.]

Mr. SMITH. The Senator knows he would not be so unkind as to fill an empty stomach with alcohol. It would make them sick. He should fill the stomach with food and then let them take the beer.

Mr. BROUSSARD. But it is medicine, recognized under the Volstead law. [Laughter.]

Mr. SMITH. Oh, yes; but they have too much medicine now. [Laughter.]

No, Mr. President; unless I change my mind I do not think I shall vote for a single thing as to excise taxes in this bill. It may sound to the wisecracks like a radical statement, but they may hear a different sound before the snow flies. When you begin to add to the burdens of an already nervous and restless people, the breaking point may come somewhere. I would join with my colleagues to go to any length to try to relieve the situation of the masses. Let us start at the ground.

Mr. BROUSSARD. Why not permit them to drink 2.75 per cent beer? If they had that we could get enough revenue from that source to pay all of the bills.

Mr. SMITH. Why, my dear Senator, I would be tickled to death if I could just get the American people's pockets full of money and their stomachs full of food, and then we would discuss the Senator's beer proposition.

Mr. BROUSSARD. But we need the money now.

Mr. SMITH. So far as that is concerned, I do not want to—

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. SMITH. Not now. I positively saw the Senate the other day get intoxicated just talking about beer, and I do not want to discuss it to-night. [Laughter.]

Mr. President, I have expressed myself as a Democrat, and I leave this question, of course, to the consciences of those who have to meet the issue.

Mr. SMOOT. Mr. President, I hope we may now consider the bill. I again call the attention of the Senate and of the country to the fact that every day that we delay consideration of the bill is costing the Treasury of the United States over \$2,000,000.

Mr. GEORGE. Mr. President, I invited the attention last night of the Senator in charge of the bill to the danger into which we were running. I invited the attention of the country to the fact that the majority party had it in its power, when the bill was in the Finance Committee, to eliminate these tariff items. I went so far as to suggest at least that the President of the United States might still rescue this measure from almost inevitable disaster. Notwithstanding that fact, Mr. President, the Senate has proceeded to confirm the duties upon two products imposed in this bill, when under no protective theory yet evolved can one of those duties be justified, and the other is involved in extreme doubt.

I have long thought that in this time of crisis no man charged with public responsibility can afford to indulge in idle language or meaningless generalities; and I now recur to the oft-repeated statement made during the debate on the oil amendment, namely, that there were four arguments against the oil tariff—the Standard Oil of New Jersey, the Standard Oil of Indiana, as I recall, the Dutch Shell, and the Gulf Oil Co. I now say that there are four arguments for the oil, coal, copper, and lumber tariffs, and I enumerate them: They are oil, coal, copper, and lumber. They are the arguments.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GEORGE. No; I do not yield.

The PRESIDING OFFICER. The Senator from Georgia declines to yield.

Mr. GEORGE. They are the arguments. Now, those in charge of the bill urge the Senate to make speed with the bill which they have deliberately wrecked, which, with full warning and knowledge, they have run into a condition from which it may be difficult to extricate it.

What course is open to those of us who have insisted, wholly without regard to the merits or the demerits of these particular tariff items, that they be not retained in this bill? As for myself, the course lies straight ahead of me. It is to vote for the 1918 income-tax rates and against every excise tax in the bill. If Senators want tariffs, they have the choice of taking them in an hour like this, when the credit of the Nation is at stake, or saying that no industry such as that of oil, with its shadowy history, with its slimy course running through the Harding administration, shall put



its strong hand at the throats of the American people until special grants have been made to oil producers and coal producers and now lumber producers and to-morrow copper producers.

If these industries have a case, let them present it when a tariff bill is before the Congress, and we may properly consider tariffs; let them submit the case when all customs duties may be properly weighed and evaluated; but for the majority party, speaking through the distinguished chairman of the Finance Committee, now to warn us that every moment is precious and that we ought to make speed with this tax bill, makes it necessary, Mr. President, for me to say what I have said on this occasion; and I now again say, my friends on the other side of the aisle may pass the bill with tariffs in if they will, but so far as I am concerned they must take their choice between the bill without tariffs or the 1918 rates.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Florida?

Mr. GEORGE. I yield.

Mr. TRAMMELL. I merely want to ask the Senator if he does not think that probably the motive prompting all this haste is to enact this law with these special provisions in it so that the private interests may begin to take from the public perhaps two or three or four million dollars a day to support their industries?

Mr. GEORGE. I have finished what I have to say.

Mr. LONG. Mr. President, it might be in order—

Mr. SMOOT. Mr. President, will the Senator yield to me for a moment?

Mr. GEORGE. I yield for a moment.

Mr. SMOOT. The Senator from Georgia [Mr. GEORGE] has referred upon two or three occasions to the fact that the Republican Party is responsible for initiating the tariff items in this revenue bill. The House of Representatives is controlled by the Democratic Party; this bill came from the House of Representatives, and that body entered the tariff field and sent over to the Senate a duty upon crude petroleum, and also sent here a provision in the pending bill levying a tax upon coal and coke. It was not the Republican Senate that initiated tariff items in the bill—not at all—but, so far as I am personally concerned, after the field was entered and the items were voted into the bill in the Finance Committee, not by one party in that committee but by a majority consisting of Senators of both parties, if we are going to retain two tariff items in the bill, I see no reason why the other items should not be included, because the industries producing the commodities affected are exactly in the same unfortunate condition as the other two upon which the House acted.

#### AN UPLIFTED DEMOCRACY

Mr. LONG. Mr. President—

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, I do not want to yield further to the Senator from Utah, if I may help it, at this time, if he will permit me.

Mr. SMOOT. Certainly; I merely wanted to say what I have said; and I thank the Senator for yielding.

Mr. LONG. I just have something I want to read, and then I will turn the floor over to the Senator, if he desires.

Mr. President, I want to say that I have listened to the eloquence of the Senator from Georgia; I am one of those who have listened to every word he has said in this debate; but I have a responsibility to the Democratic Party, and I do not want the Senator from Georgia to take away the credit that is due the Democratic Party because of this bill. We deny, as Democrats—and coming, as I do, from the leading Democratic State of this Union, as proved by the last presidential vote—I deny that the Republican Party is due any credit at all, if we can help giving them any credit, for these tariff items.

Furthermore, we call the attention of the public to the fact that in the 1928 platform of the Democratic Party we

went on record for the kind of protection—and a great deal better protection—that is afforded by this bill.

Furthermore, if there is anybody who is going to lecture Democrats because Democrats vote for tariff items, there is nobody whose shining example is better than that of the Senator from Georgia. I have his tariff record; and it is one of the things that we intend to present in the coming campaign to the intelligently equipped voters of this country who want to vote for a tariff that protects their people. We are going to submit the record of the Senator from Georgia in my State to prove that the Democratic Party does stand for protection at least on everything that is raised in Georgia. [Laughter on the floor and in the galleries.]

The PRESIDING OFFICER. The Senate must be in order.

The present occupant of the chair will announce that unless occupants of the galleries maintain order the galleries will be cleared. The Senator from Louisiana will proceed.

Mr. LONG. Mr. President, here is the record of the Senator from Georgia on the tariff. I want to take occasion to read it, because he has been designated, I am sure, by a number as a disciplinarian of the Democrats and the Republicans for the stand they are taking here on this bill.

Mr. GEORGE. Mr. President, I am speaking for myself, and for myself alone.

Mr. LONG. I assume that to be so, Senator, but I mean there are many here who, at least, take comfort in what the Senator says.

On October 4, 1929, the Senator from Georgia voted for Mr. BLAINE's amendment for a 5½-cent rate of duty on casein. The House rate was 2½ cents; the Senate Finance Committee rate was 3½ cents, but the Senator voted to raise it to 5½ cents.

On November 5, 1929, the Senator from Georgia voted for the amendment proposed by the Senator from Nevada [Mr. PITTMAN] to restore the duty on silica, crude and suitable for pigments.

On January 28, 1930, the Senator from Georgia voted for the amendment of the Senator from Idaho [Mr. THOMAS] to increase the duty on vegetable oils. That was a righteous vote. Why? Because we produce cotton in the South, in Louisiana, and in Georgia, and the Senator from Georgia, like myself, wants the oil industry of the cotton-growing States protected; but when he gets to the oil that Georgia does not produce it is a terrible thing, it is a horrible affair, to tax 120,000,000 people for the oil that others produce, but it is all right to protect the oil that is squeezed out of the cottonseed that comes from the State of Georgia.

Mr. GEORGE. Mr. President, of course I will follow the Senator, but I want to suggest to him now that when I came here in response to the President's special message asking the Congress to equalize the condition of agriculture with industry by giving to agriculture suitable tariff rates, I voted for all such rates that I thought were reasonable.

Mr. LONG. Yes, sir; and I think the Senator voted right in every vote he cast for the tariff. I disagree with the Senator in voting against tariff rates on commodities in which his State is not interested but with which I am concerned in Louisiana. I am going to vote for all the tariff items the Senator has voted for, and I will vote to increase some of them.

I simply do not think that he should make fish out of one and fowl out of the other, and I do not want him to do the harm that he is now doing, because the record of the Senator from Georgia reflects credit upon the Democratic Party. Because he has stood here to protect the people of the United States from slave labor and slave trade, I would not now want him to go so far afield as to discredit the Democratic Party and lodge in the Republican Party the credit for the magnificent protective record which he has and of which his party is going to know when the fall campaign comes on. As I have said, I myself intend in my State to publish the record of the Senator from Georgia, so that the people of Louisiana may know that they can safely rely upon the Democratic Party as a protective party in this country. I think the Senator from Georgia is right.



If the Senator from Utah wants to dispute that the Republican Party is due the credit for protection, if he wants to admit that at last the old Republican Party is not anything but a free-trade party anyway, I will admit it myself, because the people of the United States do not favor leaving this country unprotected.

I want to read a little further from this record.

On February 18, 1930, the Senator from Georgia voted for Mr. CONNALLY's amendment to increase the duty on cattle. That was a proper vote, and I would have voted that way. I will vote to increase it again.

On February 19, 1930, the Senator from Georgia voted for Mr. HAYDEN's amendment to increase the duty on dates in packages.

On March 3, 1930, he voted for Mr. SHORTRIDGE's amendment for a duty on long-staple cotton.

Mr. President—and I am sorry the Senator from South Carolina [Mr. SMITH] has left the Chamber—we have been told all the time that the Southern States needed no tariff, because cotton was strictly an exportable crop. But the time has come, Mr. President, when in Turkey and in Egypt and in Russia and in India they are raising plenty of cotton, and not only is it going to be necessary for long-staple cotton to have a tariff, but the time is not far distant when there is going to be a tariff on all cotton.

I see my friend from Mississippi [Mr. HARRISON]—

Mr. HARRISON. Mr. President, I hope the Senator will lay off the Senator from Mississippi, because the Senator from Mississippi will be liable to respond. Just leave out my tariff record. I have not spoken on oil yet, nor on copper, nor on lumber; but I can if I am invited. I can speak on it at length.

Mr. LONG. The reason I am mentioning the Senator from Mississippi is strictly a compliment.

Mr. HARRISON. It may be a compliment in the Senator's opinion, but it may not be in my opinion.

Mr. LONG. I am sorry the Senator thinks that his record would be anything but complimentary to himself. I do not believe the Senator from Mississippi would disown his own record; and I believe the Senator will agree with me that his record on the tariff and on all other public matters reflects great credit on the Senator.

Mr. HARRISON. Yes; I agree to that, and I am glad the Senator agrees with me in one thing and wants to applaud one effort that I have made. I am just saying to the Senator, however, that I am not in this controversy, and it will afford me much pleasure if he will leave my name out of it. He is proceeding on the Senator from Georgia; so let him go after the Senator from Georgia but not after me, because I shall feel obliged to respond, and I do not want to respond. [Laughter.]

Mr. LONG. The Senator knows that we have followed the Democracy of the Senator from Mississippi before the Senator from Georgia ever came to this body.

Mr. HARRISON. Yes; and as long as the Senator followed me he was right on Democracy.

Mr. LONG. All right. Well, then, the Senator from Mississippi was persuaded to vote for a tariff of 7 cents a pound on long-staple cotton. Mississippi probably produces more long-staple cotton than any other State in the Union.

Mr. ASHURST. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. LONG. Yes, sir; I yield.

Mr. ASHURST. I make a bid for apology to the Senator from Louisiana for what I have to say. I beg him not to believe that I rise out of any attitude of attempted censoriousness; and I hope that the handsome, vital, and vivid young Senator from Louisiana will believe me when I say that I doubt if we promote our cause by exploring the records of our brethren.

There is no man in the Senate who has been here any considerable time who can say, "There is the white light of consistency, and I have followed it without a shadow of turning." If he can truly say such, then he has done nothing in the Senate.

We appreciate the efforts, the vitality, and the vigor of the Senator from Louisiana. I do not agree with the Senator from Mississippi on these items. I do not agree on these items with the Senator from Georgia. I listened enraptured to the speech of the Senator from South Carolina [Mr. SMITH]. I do not agree with him on these items, but he charmed me. I am certain that every vote these three Senators and others, all of them, have cast has been the result of an honest mental operation, guided by a clear conscience.

I again ask the Senator from Louisiana to believe that I rise not out of any attempted censoriousness. I am anxious to have a vote on these items, lumber and copper, to-night, if possible. We ought to vote; and, not trying to be facetious, I like to listen to the Senator from Louisiana. What he says is fresh and it is breezy [laughter]; but I ask him to withhold any further discussion at this time, because I see clearly that we are going to plunge into a long and bitter discussion which will consume not only this evening but possibly all of to-morrow.

If the Senator will allow me, I will ask that we vote now on these items.

Mr. LONG. I am ready to vote.

Mr. GEORGE. No, Mr. President; when the Senator is ready to yield I shall be glad to take the floor.

Mr. LONG. All right. I am ready to vote, Mr. President. I have been ready to vote on this lumber question for some time. We have already voted on two other items after two days of discussion, and I thought we were going to vote on this third item; but after several hours were taken up in oratory I considered that I ought not to let my party be stabbed without rising to its defense.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Utah?

Mr. LONG. Yes.

Mr. SMOOT. Let me appeal to the Senator not to say anything further on the subject now. I should like very much to get a vote upon this matter.

Mr. LONG. I should, too. I shall be through in just a minute; but we have more oratory coming. As the Senator from Arizona has suggested, I could see that that spirit of oratory had reached uncontrollable limits by the time I came to the Senate about the fourth time for a vote; and I concluded that some reply should be made to the charge that irreparable harm is going to be done to the masses of this country, which they think is Democratic doctrine. I do not think it is.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. LONG. Yes, sir; for a question.

Mr. TRAMMELL. I desire to state that there will not be a vote within three minutes after the Senator yields the floor. I have an amendment to the paragraph in regard to lumber. I have had no opportunity whatever to say a word about it, and I am going to have an opportunity to say something about it. Do not yield the floor thinking that you are going to get a vote in three minutes.

Mr. LONG. If the Senator from Florida is going to say something, we know that he usually does say something that we will all want to listen to; and I thank him for his contribution.

However, Mr. President, I am not going to take time to read all the record of any one of the Senators. There are several more lines to be read upon the votes of the Senator from Georgia [Mr. GEORGE]. I think the Senator from Georgia knows—whether he does or not, I can assure him that it is a fact—that there is nobody in this body or in his native and beloved State who regards the motives and the integrity of the Senator more highly than I do myself. No one believes more firmly than I that he has been guided not only by a good conscience but by a proper judgment in all of his tariff votes.

On March 13, 1930, he voted for concurrence in the amendment for a duty on long-staple cotton.

On March 14, 1913, he voted for reconsideration of the vote adopting the amendment reducing the rates on wrap-



per tobacco; and the Senator made a speech on the subject. This is something that I am glad is in the RECORD, because it will be possible for us to send out this speech as a part of the CONGRESSIONAL RECORD free of cost, showing how the Democratic Party stands. As one of the members of the party, I intend to avail myself of the franking privilege to send this speech through the mails, free of cost, to show that the United States is represented in this body by good, sound, protection Democrats.

The Senator from Georgia said this. I read from page 5699 of the CONGRESSIONAL RECORD of November 18, 1929:

Mr. GEORGE. Yes; I understand the Senator's argument, and I think the Senator has very well stated the case. I would like the case to be very well understood because it is a very clear case of conflict between manufacturers and producers. It is one of the clearest illustrations in the entire tariff bill. The rate of \$2.50 on unstemmed wrapper tobacco will not increase the cost of the 5-cent cigar.

Just as we told you that the rate on oil is not going to increase the price of gasoline. The fact that there was a tariff on wrapper tobacco going into the making up of cigars, the Senator very appropriately said, was not going to increase the price, but it was a good protection.

The Senator is quite right about it. I am willing to make that statement on my own responsibility so far as it may go. A rate of \$1.60, such as the Senator from New York proposes, will not reduce that price.

So what is the situation before us? We have the plain case of whether we desire to give more profit to the manufacturer. We have a clear-cut case of whether we desire to give certain manufacturers of cigars more profit or whether we wish to give the producer a better chance to control his market.

That is the logic from the Senator from Georgia. He made a long speech to that effect; but the Senator from Georgia is not the only man in the Senate on this side of the Chamber who has a tariff record to be proud of. I take one or two at random, that they may be considered.

The Senator from New York [Mr. COPELAND] has a good record. He voted for 19 increases and against 35 decreases.

The Senator from Utah [Mr. KING] voted for some increases and against some decreases—not so many.

The Senator from Arkansas [Mr. ROBINSON], the leader of this side of the Chamber, has a fair record himself on the tariff—not as good, however, as others.

My predecessor in the Senate, Senator Ransdell, who was in Congress for 32 years from the leading Democratic State of America, had 34 votes for increases, and 44 votes against decreases.

The junior Senator from Mississippi [Mr. STEPHENS] voted in connection with the Smoot-Hawley tariff bill for nine increases and against three decreases.

The Senator from Florida [Mr. TRAMMELL] has a record that to the heart that loves liberty is more enchanting than romance. [Laughter.] He voted for 21 increases and against 23 decreases. Lemons; fruits—I do not know whether there is a tariff on alligators or not, or other products of the State of Florida. We have some of them in Louisiana. Florida products, according to the investigation, I have made of this situation, are better protected than the products of any other State in this Union under the Smoot-Hawley tariff bill which we are living under to-day, thanks to the Florida Senators.

It is just a question of whose ox is gored.

The Senator from New Hampshire [Mr. MOSES] very clearly stated the case from the floor here the other day when he, from the Republican side, was engaged in some kind of an argument with the Senator from Georgia [Mr. GEORGE], each charging the other's party with being responsible for the tariff bill; but, so far as I can find from the RECORD, the Senator from New Hampshire has voted to protect everything that is in New Hampshire, and the Senator from Georgia has voted to protect everything that is in Georgia. When, however, it comes to a proposition of giving protection to about 350,000 workmen engaged in the business of making a living out of the oil industry, they both turned around here and gave to the Mexican laborer and to the Venezuelan laborer and to the Colombian laborer a differential which they would not have been willing, ac-

cording to the RECORD, to have inflicted upon an industry of Georgia or of New Hampshire.

What kind of fairness is that? The Senator from Arizona [Mr. ASHURST] very properly says that no Senator here can be consistent on his tariff votes. I do not know how long I shall be here, but my record will be consistent on tariff votes. After I have undertaken to get for my people a tariff on everything that we grow and produce in my State, in order that the people of Louisiana, one of the 48 States, can live and thrive and work and eat, I will never be found going into another part of the country and saying to that other State, "You are not entitled to a tariff."

Take this tariff on lumber. Some of us here have worked in sawmills and know something about them. I have worked in one a little myself. I have cut the logs that were carried to the sawmill. I have worked in the mills. I have stacked the lumber, and I know something about the business. I have graded the lumber, I have checked the lumber, and many other Senators sitting here have done the same thing.

The way the lumber industry is treated is the most unfair thing ever heard of toward an industry that you can not say is monopolized, and which has not even been charged on the floor of the Senate as being monopolized. There is no industry that is as free for competition as the lumber industry. There are thousands and hundreds of thousands of men whose families are dependent for a living upon the business of cutting timber. There are railroad men hauling the timber in cars; there are many men in the mills cutting the timber into lumber, stacking it, and doing everything connected with the lumber industry, hundreds of thousands of people. I would hesitate to say how many; and yet I was told by a friend of mine the other day that right in the town of Texarkana, a town half in Arkansas and a half in Texas—I believe the home of the senior Senator from Texas [Mr. SHEPPARD]—some foreign lumber was laid down in that town, practically the center of the sawmill country of the Southwest, for \$2 a thousand cheaper than the cost of manufacturing it and selling it there on the ground.

Yet you call that a fair deal from the State of Georgia and from the State of New Hampshire, regardless of whether it is the Democratic Party or the Republican Party. You call that a fair deal, to close up the sawmills of this country, shut down the State of Arkansas, shut down the State of Louisiana, shut down the State of Washington, shut down the State of Oregon, and talk about this being a tradeout and a washout, 4 to 4, and all that. Instead of it being 4 and 4, if I had been sitting in the seat of the Senator from New Hampshire or the seat of the Senator from Georgia when they produced that tariff item in the Smoot-Hawley or any other revenue bill or tariff bill—because a tariff bill is a revenue bill—I would have been voting for the protection of the other man if I was undertaking to impose protection for my own interests.

The Senator from Georgia is a very learned attorney, and a just one. He is known throughout the South and the Southeast as being one of the most thorough lawyers in this country, and any man who knows the law as well as the Senator from Georgia knows it, knows that we impose a tariff under the taxing power, under the revenue-producing power, of the Constitution of the United States, lodged in Congress, the only ground for doing it, and practically all of the test cases that have gone to the Supreme Court of the United States are cases in which the income tax or other forms of taxes were combined with the taxes that were levied on imports coming into this country.

If there is any precedent on this matter, certainly the precedent ought to be that Congress, without any question whatever, has followed the policy of putting tariff rates into revenue bills. And you have a case here where you ought to do it.

I voted for the 1918 war-time rates on incomes. They ought to have carried, in my opinion. I will vote that the rates on inheritances be raised. I think they ought to be raised. However, if you are going to raise funds to support the Government, and undertake by this bill to do the least harm and the most good, what more could you do than to



make it possible to open up the sawmills of this country? You created a subsidy, the Reconstruction Finance Corporation. You have had another subsidy in the form of the moratorium. It will be better than all the subsidies if you open up the coal mines and the oil fields, if you open up the copper mines, if you open up the sawmills, and put the people in the lumber camps, and get these people back to work. That will be a great deal better than any other form of subsidy you can grant here. And you are not only adopting the right kind of a subsidy, but you will be collecting funds for the support of this Government, and starting the wheels of industry to moving again, and putting these people to doing something useful, instead of providing that you will leave the products of this country where they can not meet the competition of Soviet Russia and the slave-trade labor of Venezuela, Colombia, and other foreign countries.

The Senator from Mississippi asked me not to mention him, and I know the Senator does not mean that, because I only mention him as a matter of helping the party. I understand there is no rule of the Senate, in discussing the merits of these various provisions, against my undertaking to give certain credit to the Democratic Party, and I only undertake it at this time because it is not very long before the next political campaign, and I think the Senate, and I think the Nation, should certainly be informed upon the principal matters.

I have been fair in my discussions here in the Senate. I have stated the things the Democratic Party has done which I did not think were to the credit of the Democratic Party, and I am sure that the Senator from Mississippi is not now going to ask me to refrain from stating the things which I think do credit to the Democratic Party.

In that connection I would refer to the single instance I was going to use, of the tariff on long-staple cotton, 7 cents a pound. It ought to be 7 cents, anyway. It ought to be more than 7 cents, and there will have to be a tariff on other cotton.

The Senator from Mississippi stated on the floor of the Senate something for which I was going to take credit and pride for my State, that he is a graduate of the Louisiana State University. He is one of the great examples of great good, and great service that is being performed by the Louisiana State University. The Louisiana State University was founded by William Tecumseh Sherman. General Sherman was the president of the Louisiana State University when the war broke out between the States, and we "loaned" General Sherman to the United States during the pendency of that war; and made a rather bad swap. [Laughter.]

However, that great university was receiving a tariff—not a tariff, a tax—on oil produced in Louisiana, all the way from 3 or 4 to 11 cents a barrel, and as a result of the oil tax we have been able to extend that school, until it not only opened its arms to the Senator from Mississippi but to-day there are hundreds of young men and young women who have come to the Louisiana State University from the State of Mississippi.

The Oil Trust said to us, however: "We are not going to pay these taxes," and in order to avoid it they proceeded to go to Venezuela and Colombia, and within sight of that great State university, which was a haven and an institution for the learning and for the embellishment of this Nation, they proceeded to bring in the tariff-free oil from these foreign countries, and it was impossible for the State of Louisiana to collect a tariff on its domestic production because the domestic producers could not produce oil upon which they had to pay a tax of 11 cents a barrel in competition with oil brought from Colombia, on which there was no tax or tariff whatsoever.

I am pleading here now for funds for that school, and for the other schools in my State, because the oil of Colombia and of other foreign countries has been brought in there duty free, so that \$1,000,000 a year has been taken from the educational funds of the State of Louisiana and that great institution. There are many in this body who know it and who love it. That great institution to-night turns its arm as it is being stabbed by those who promote the foreign oil

trade, as it is being attacked, robbed, and ravaged as a result of a law which enables the slave traffic oil to come into that country and deprive that institution of the tax upon the products produced in that State; that institution, which has opened its arms to the Senator from Mississippi, looks to him to-night and appeals to him as it gathers together whatever garment it has to protect itself from the stabs of this slave traffic; and as it looks to the Senator from Mississippi, who ought to be voting, we feel, for the protection of that institution, as he did for the protection of the cotton fields in Mississippi, as it looks to him sitting among contrary Senators it says, "Et tu quoque, mi fili."

Mr. GEORGE. Mr. President, perhaps I ought to pass unnoticed the wholly irresponsible talk of the Senator from Louisiana. But no Senator has the authority to lecture me or to criticize me, and the Senator from Louisiana will not be accorded that privilege.

I stated to the Senator, and I have stated to him repeatedly, that my record in this body is an open book, that I have voted for agricultural tariffs. I did my best to give a fair degree of protection to the farm products, whether grown in my State or in any other State. Long-staple cotton is not grown in my State, but I voted for a tariff on it, nevertheless.

During the consideration of the Smoot-Hawley bill, I voted repeatedly for the lowest duties we could insert upon many products manufactured in my State. I was compelled to vote against the steel people of my State. I was compelled to vote against many other manufactures of my State, and for duties which they earnestly pleaded with me not to support.

I voted in the consideration of that bill as I shall vote now, against the tariff on lumber, although lumber is manufactured in my State.

I will vote against a tariff on copper, in this bill, although there is a copper mine in my State.

I have no record of having favored duties merely because the industries to be affected by them were in my State, sir. I have no such record as that. But I have voted against high duties when the interests in my State demanded them, and the difference between the Senator from Louisiana and myself is that I am not amenable to the demands of special interests whenever they call me to register a vote simply and solely because they happen to have an interest in my State.

Every duty that has been asked upon a product in my State has been weighed upon its merits, and no promise or threat, and no pressure by anyone within the State, has yet induced me to support such a duty when I did not think it was a fair and just duty.

On the contrary, I voted for very many more reduced rates upon products made within my State than for increased rates upon products and articles produced in my State. I have no apologies to make for my record. I am going to suggest to the Senator from Louisiana now that it would be far better for him to leave the Republican Party to answer rather than come to its defense when one of his colleagues feels impelled to stand upon this floor and to say frankly to the chairman of the Finance Committee, when he pleads for speed, "Twenty-four hours ago I pleaded for speed," and that his plea comes too late if he intends to carry within the cradle of this bill the protective tariffs which have been written in the bill.

Mr. President, I do not want to indulge in mere personal denunciation or mere personal condemnation of the Senator from Louisiana. The Senator has not been here very long. I think perhaps that when he has been here longer, he will respect the conscientious convictions of his colleagues. He probably will consult with them more than he does with the Republican leadership on the other side of the aisle. He will not be concerned about the record that his colleagues have made. It will be, I dare say, a sufficient test of his strength to take care of his own record. Neither the Senator from Louisiana nor any other Senator can lecture me.

I said, when I rose to reply to the Senator from Utah [Mr. Smoot], that four arguments had been made according to the advocates of the oil tariff against that tariff, and that



they were the four great oil companies. I replied, mincing no words or language, that the four arguments for the tariff rates in this bill are coal and oil and lumber and copper.

I have never traded a vote in this body for the vote of a single Senator for a single item affecting my State; and I would walk out of the Senate to-night, never to enter its doors again, rather than trade my vote to procure a grant of special privilege for a single industry within my State. But, if the Senator from Louisiana can gather comfort or consolation from that unholy alliance and combination of which he is a part, he is quite welcome to that consolation.

Of these four items in the bill, half of them—copper and lumber—represent important industries in my State. Appeals have been made to me to support those industries. I have said that when the credit of the country was at stake, I would not inject these tariff items into the tax bill. I have never said that we could not properly include them in a tariff bill. But I question the wisdom even of the Senator from Louisiana when he holds his hands at the throat of the Nation itself, now in need of revenue, and demands special privileges for the industries of his State as the price of an adequate revenue bill for the relief of his country.

Now, if the Senator from Louisiana wishes to produce my record hereafter, he may do so; or if he wishes to lecture me, he may do so. I have no unkind feeling for him. I have gone on here in the way that seemed to me fitting and proper and presented my views. I always have presented them seriously. I never have fought a sham battle and I never will. My State may demand special privileges, and it does need help from any worthy source; but I will not stand here when I realize the dire distress of this country—a condition which my party has not created, but that is not involved—and insist upon such special privilege or even the consideration of a measure that might under other conditions and circumstances be just and proper and thereby delay the enactment of the tax bill. That, Mr. President, is the head and front of my offending.

Mr. President, I am entirely indifferent to buffoonery and clownishness wherever it appears. Let me caution—or, if I may put it the other way—let me admonish the Senator from Louisiana that he may serve his country well if he will leave to the Senators on the other side of this Chamber—the party whose President has converted the Treasury of the United States not only into a community chest but into an empty community chest—to offer their own defense at the bar of public opinion in this country.

I come back to the words that I uttered a while ago—that it has seemed to me for more than 20 months that no public man could afford to indulge in idle generalities, in meaningless language. I again assert that the election made by the party in power in the Senate, whoever is responsible for the form in which the bill found itself when it reached the Senate, has made clear my course, and that is to vote for the 1918 rates and against every excise tax in the bill.

If we are to give to coal and to copper and to lumber and to oil a privilege, not for the enrichment of the Treasury—because at most only an incidental benefit can flow to the Treasury—but a privilege for their own enrichment, whether deserved or undeserved, then I shall elect to stand upon my rights and vote for a tax bill which my judgment approves.

Mr. President, I beg the pardon of the Senate for having spoken again. I would not have done so but for the fact that the Senator from Louisiana, following a Senator as he tries to do his duty with what he pleases to call the record of the Senator, rising upon this floor endeavoring to embarrass, without the slightest sense of courtesy—I was about to say decency—seemed to make it necessary that at least I resent that sort of conduct, and that I defend myself against that sort of insinuation and insult.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. GEORGE. I yield.

Mr. LONG. I am sure the Senator did not object to my reading the record. What is it that I have said that he objects to? I am unconscious of anything except having read that record.

Mr. GEORGE. I do not object to the Senator having read my record. I have never objected to that. But if the Senator is unconscious of what he has done, he confirms, without more from me, what I have said about him. He is utterly lacking in the sensibilities which usually characterize the intercourse between men in this body.

Mr. DILL obtained the floor.

Mr. SMOOT. Mr. President—

Mr. DILL. Does the Senator from Utah want to go on to-night?

SEVERAL SENATORS. Vote! Vote!

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. The Senator from Washington has the floor.

Mr. DILL. I merely yielded to the Senator from Utah to learn whether he wanted to take a recess. If so, I do not care to speak to-night.

Mr. SMOOT. I know of about four more speeches to be made upon the subject. It is now after 10 o'clock. I think perhaps it would be just as well to take a recess now, but if there is objection I shall not make that motion.

Mr. DILL. I am perfectly willing to do so.

Mr. SMOOT. I have already secured unanimous consent that when we conclude our business to-day, we shall recess until 11 o'clock to-morrow.

Mr. WALSH of Massachusetts. Mr. President, there has been no argument advanced by members of the committee who filed a protest against the bill. Are we not going to have a chance? I hope the Senator will move a recess at this time.

Mr. SMOOT. I am perfectly willing to do so, and if there is no objection that is what I shall ask the Senate now to do.

Mr. President, in conformity with the unanimous-consent agreement previously entered into, I move that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. HARRISON. Mr. President, before the question is put let me say that I had understood that we were going to recess until 10 o'clock to-morrow morning.

Mr. SMOOT. I tried to get an agreement to recess until 10 o'clock, and to have an early adjournment in the afternoon, but it was impossible to secure it.

Mr. HARRISON. It was impossible to reach such an agreement?

Mr. SMOOT. It was. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and the Senate (at 10 o'clock and 15 minutes p. m.), under the order previously entered, took a recess until to-morrow, Saturday, May 21, 1932, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES

FRIDAY, MAY 20, 1932

The House met at 12 o'clock noon.

Rabbi R. B. Hershon, of Temple Beth El, Asbury Park, N. J., offered the following prayer:

Almighty God, frail humanity stands bewildered in this great confusion which has covered the face of the earth. Prostrated before this untoward desolation of peace and confused by the colossal problems of the day they know not whither to turn. Man, who has vainly tried to pyramid gigantic power and derisively challenged the prophetic dictum to love mercy, to pursue justice, and to walk humbly with thy God, stands like a beggar with his cap in his hand at Thy throne, O God, seeking now Thy protection and imploring Thy guidance.

Upon these blessed United States and this august assembly a major proportion of this world's responsibility fate seems



to have placed, to give succor to the needy, aid to the weary, help to the stricken, and hope to the world.

Bless us, then, O God, that the deliberations and the convocations of this House may be forever guided by Thy wisdom, and that from the lips of those whose voices reverberate in these Halls may there always come an echo of humility and prayer. For the purest offering of prayer is that which springs from our sympathy with the afflicted and our compassion with the downtrodden. Free from all selfish motives it inspires the love of our fellow men and sanctifies the purposes for which we strive. As the sweet singer of Israel saith, "The Lord is my portion, saith my soul; therefore will I hope in Him."

So be with us, O God, this day and evermore. We ask this in Thy own name, O Heavenly Father. Amen. Amen.

The Journal of the proceedings of yesterday was read and approved.

GOV. CHARLES B. AYCOCK

Mr. WARREN. Mr. Speaker, I would like to make a brief statement. I am requested by the Governor of North Carolina and the Aycock Statue Commission to invite the Members of the House to attend the exercises this afternoon in Statuary Hall at 3 o'clock, when North Carolina will present to the United States a statue of former Gov. Charles B. Aycock.

ELIZABETH D. HARTNEY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from North Carolina offers a resolution, which the Clerk will report.

The Clerk read as follows:

#### House Resolution 216

Resolved, That there shall be paid out of the contingent fund of the House to Elizabeth D. Hartney, widow of Benson B. Hartney, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said Benson D. Hartney.

The resolution was agreed to.

#### PAY-ROLL RECORDS OF THE HOUSE OF REPRESENTATIVES

Mr. WARREN. Mr. Speaker, I call up House Resolution 227, to authorize public inspection of pay-roll records of the disbursing officer of the House of Representatives and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from North Carolina calls up a resolution, which the Clerk will report.

The Clerk read as follows:

#### House Resolution 227

Resolved, That the Clerk of the House of Representatives is hereby authorized and directed to keep open for public inspection the pay-roll records of the disbursing officer of the House of Representatives.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I did not grasp what the resolution is. May we have it again reported?

The SPEAKER. Without objection, the resolution will again be reported.

There was no objection.

The Clerk again read the resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

#### CALL OF THE HOUSE

Mr. GOSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 80]

Abernethy	Corning	Igoe	Reld, Ill.
Allgood	Crowther	Jenkins	Robinson
Auf der Heide	Curry	Johnson, Ill.	Seiberling
Bacon	Davenport	Johnson, Wash.	Shallenberger
Baldrige	Dickstein	Karch	Shannon
Beck	Douglas, Ariz.	Kendall	Shreve
Beedy	Doutrich	Kennedy	Simmons
Bloom	Drane	Lamneck	Sirovich
Bohn	Dyer	Lea	Stokes
Boyian	Erk	Lehlbach	Strong, Kans.
Britten	Eslick	Lewis	Sullivan, N. Y.
Browning	Estep	Lindsay	Sullivan, Pa.
Bulwinkle	Fiesinger	McDuffie	Tucker
Burdick	Freeman	Mitchell	Vinson, Ga.
Cary	Gibson	Mouser	Watson
Celler	Gifford	Murphy	Welsh, Pa.
Chapman	Golder	Nelson, Wis.	Withrow
Chase	Goldsborough	Norton, N. J.	Wood, Ind.
Clark, N. C.	Granfield	Oliver, N. Y.	Yon
Collier	Hall, Miss.	Owen	
Connery	Hoch	Perkins	
Cooke	Hollister	Ragon	

The SPEAKER. Three hundred and forty-six Members have answered to their names; a quorum is present.

Mr. COX. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

#### THE PRESENT ECONOMIC SITUATION

Mr. CRISP. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein a radio speech delivered by me last evening.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me over the radio on Thursday evening, May 19:

For 10 years past the Republican Party controlled all branches of the Federal Government. Under legislation for which they are responsible less than 10 per cent of our people own 90 per cent of the wealth of our country—a calamitous condition for any nation. High tariff laws are principally responsible.

Nothing has contributed more to the economic undoing of the world than the Smoot-Hawley tariff bill, which has caused retaliatory tariffs to be levied against us by foreign countries, thus destroying our export market for cotton and other agricultural and industrial products. With our foreign market destroyed and these commodities selling below the cost of production, our agricultural interests are bankrupt and the purchasing power of 30,000,000 people destroyed, inevitably affecting every industry. With the retaliatory tariffs against us, if we alone should now reduce our tariffs without some concession from foreign nations, our economic plight might be made worse. Seeking to correct this evil, the Democratic House passed a tariff bill requesting the President to call an international conference with leading nations of the world to consider reciprocal tariff agreements. Such a law should help the situation, but the President vetoed it.

In my judgment, there can be no complete economic recovery until there is an increase in the price of basic commodities. To bring this about it is essential that there be some sound expansion of the currency and bank credits to stabilize the purchasing power of the dollar, now abnormally high as to its purchasing power as applied to agricultural commodities. The purchasing power of the dollar must be stabilized based on the average prices of commodities for the years 1921 to 1929. This would make cotton to-day worth above 15 cents a pound, wheat over \$1 per bushel, and hogs 10 cents per pound. A debt contracted two years ago by the farmer who could produce ten bales of cotton, ample at that time to liquidate the debt, would require twenty-eight bales today to liquidate the debt. A debt contracted by the farmer even last year based on the belief that his production of ten bales of cotton would pay the debt will require twenty bales today to pay it. The same is true as to the wheat producer and every other individual who has contracted debts. Congress must find some solution to this problem. In my judgment, there must be some expansion of the circulating medium to meet the situation. The Democratic House has passed a law known as the Goldsborough stabilization law, which directs the Federal Reserve Board to expand currency sufficiently to bring this about.

The Federal Reserve Board, admittedly, under the law can expand currency \$5,000,000,000, amply secured by eligible discount paper plus 40 per cent gold reserve, insuring the stability of the American dollar on the gold standard. It is the duty of the President to require the Federal Reserve Board to do this, as he has the power to remove from office the members of the board if they do not act. Nothing will benefit the masses more than such a policy, and I am earnestly advocating it.

It is deplorable that in the last two years the Government has spent over \$3,000,000,000 more than its revenues. It is daily spending \$7,000,000 more than its receipts. The Republican Party is responsible for this deficit. The Constitution of the United States



places the duty upon the House of Representatives to levy taxes to pay the debts of the United States. In this critical national emergency it is indefensible to place partisanship above the country's welfare. Realizing, of course, the unpopularity of levying taxes, nevertheless the Democratic House of Representatives measured up to its constitutional responsibility and passed a tax bill that would balance the Budget, based on the assumption that there should also be at least \$200,000,000 reduction in Government expenditures. The bill is now pending in the Senate.

Personally I believe a \$4,000,000,000 Budget in peace time is excessive, burdensome, confiscatory, and destructive of love of Government, and that it should be reduced at least five hundred millions. To accomplish this, overlapping activities in the various bureaus should be eliminated, useless expensive boards and commissions abolished, governmental expenditures cut to the bone, and salaries from the highest to those affording a minimum wage reduced—and this Democratic House has passed a bill reducing by 11 per cent salaries over \$2,500, including, of course, those of Congressmen, whose salaries are reduced \$825 per year. I voted to reduce all salaries of over \$1,000, but a majority voted against it. I regret the emasculation of the recent economy bill in the House, but some of the items eliminated were controversial both as regards the efficiency of our national security and as to actually effecting economy, for example, the consolidation of the Army and Navy. The bill as passed is estimated to save \$42,000,000 directly and many millions indirectly. It also confers upon the President the power—subject to veto by Congress within 60 days—to consolidate and abolish bureaus.

My friends, do not believe these are the only savings effected by this Congress. The supply bills as passed by the House were reduced a hundred and sixty-six millions below the President's recommendations for appropriations, and the Senate is still further reducing them. All reductions to date below the President's recommendations total over two hundred and sixteen millions, and they should and I am hoping they will reach two hundred and fifty to three hundred and fifty millions of dollars. The appropriations passed by this Congress, taking into account cuts made by the President in his Budget recommendations, are about six hundred millions below appropriations for similar objects for the current fiscal year. If further substantial reductions are to be made in governmental expenditures, no new large appropriations can be authorized. It may interest you to know that 25 cents out of every dollar spent by the Government goes to the veterans in the way of hospitalization, compensation, insurance, etc., and another 25 cents goes for interest on the national debt and its retirement. Thus 50 cents out of every dollar, or \$2,000,000,000 yearly, or half of our total Budget, is chargeable to war. All agree that it is the bounden duty of the Government to care for its disabled heroes and their dependents. Is not the Government measuring up to this sacred duty? The Ways and Means Committee has decided adversely as to the immediate payment of the adjusted-service certificates, which, if paid now, would cost the Government about two billions four hundred millions more than was originally contemplated when the law was passed in 1925.

The condition of the Treasury and the tax burdens resting upon the people, in my judgment, prevent payment to our brave veterans of this colossal sum at this time. I will not vote for it. The people demand that Government extravagances cease and that taxes be reduced, and I am in perfect accord with them.

To-day organized minorities control legislation. The only way to remedy this is for the unorganized masses of the people to become aroused, take an interest in elections, and support actively those candidates who are seeking to serve them. The preservation of the people's interest, if not their self-preservation, dictates such a policy. If they speak in no uncertain tones, legislators will hear and obey them. In this Congress, during this critical period of our country's economic distress, and with the suffering of our people greater even than while we were at war, in my capacity as a Congressman, I have eschewed politics and have placed country above party and self, and I shall unswervingly adhere to such a policy. Would that the members of the President's household, notably Secretaries Hyde and Hurley, would do likewise while the President is urging cooperation between the parties during this emergency.

I am glad the President is at last aroused to the necessity for economy. Would that he had evidenced an active interest in it for the past two years before the huge deficit in the Treasury became a reality. Do you know that the Alien Custodian Property Bureau and the war-time Railway Administration are both flourishing, with personnel drawing good salaries, 13 years after the war? It is also regrettable that when the House Democratic Economy Committee asked of the Cabinet officers how savings could be effected in their departments they received little aid. The Attorney General stated that the appropriation for his department could not be reduced without closing the courts and the Secretary of State advised that his could not be reduced without closing 10 or more embassies abroad.

May I not say in conclusion that I am whole-heartedly in favor of reducing Government expenditures and will cooperate with the President and others interested to the fullest extent? Believing that without a balanced Budget there can be no economic recovery, I deem the paramount duties of Congress to be to balance the Budget, based on a substantial reduction of Government expenditures; to enact some economically sound relief measure to give employment; to provide for some regulated expansion of the currency; and to adjourn.

#### CONTROL OF FLOODS ON THE MISSISSIPPI RIVER AND ITS TRIBUTARIES

Mr. COX. Mr. Speaker, by direction of the chairman of the Committee on Rules, I call up House Resolution 167.

The SPEAKER. The gentleman from Georgia calls up a resolution, which the Clerk will report.

The Clerk read as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4668, a bill to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," approved May 15, 1928.

That after general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Flood Control, the bill shall be read for amendment under the 5-minute rule.

At the conclusion of the reading of the bill for amendment the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. COX. Mr. Speaker, of the time at my disposal I yield 30 minutes to the ranking minority member of the Committee on Rules to be disposed of as he sees fit.

Mr. Speaker, the purpose of this resolution is to provide for consideration of the bill H. R. 4668, which is a bill reported by the Committee on Flood Control proposing an amendment to section 3 of the flood control act of 1928. This section as it now stands is as follows:

Except when authorized by the Secretary of War upon the recommendation of the Chief of Engineers, no money appropriated under authority of this act shall be expended on the construction of any item of the project until the States or levee districts have given assurances satisfactory to the Secretary of War that they will (a) maintain all flood-control works after their completion, except controlling and regulating spillway structures, including special relief levees; maintenance includes normally such matters as cutting grass, removal of weeds, local drainage, and minor repairs of main river levees; (b) agree to accept land turned over to them under the provisions of section 4; (c) provide without cost to the United States all rights of way for levee foundations and levees on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of Passes.

It is proposed to insert immediately preceding the section as now written the following:

SEC. 3. In the execution of the adopted project, the United States shall provide flowage rights over all lands including compensation for damages to improvements thereon at the time of the taking, which are not now between the existing levees and the low-water channel of the Mississippi River and which will be between the levee lines of the adopted project and the low-water channel of the Mississippi River by reason of setbacks, extensions, or other changes in the levee lines on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of the Passes. The States or levee districts may provide for the United States, upon its request and at its expense, such flowage rights, and the United States shall reimburse the States or levee districts in full for all payments made and expense incurred in providing such flowage rights upon proof that they have been obtained at fair valuation and at reasonable expense.

And to add at the end of the section this language:

This act shall take effect from and after the date of the enactment of the flood control act of May 15, 1928.

By this bill an attempt is being made to make effective the intention of the Congress at the time of the flood control act of 1928 was adopted. The House appreciates the fact that the act was the outgrowth of two unprecedented floods that had recently occurred in the lower valley of the Mississippi. It was the flood of 1927 which resulted in the destruction of more than \$200,000,000 of property and a loss of more than 200 lives that so aroused the country as to bring about a determined demand for some comprehensive legislation that would take care of such conditions.

In the act of 1928 Congress first gave recognition to the principle of national responsibility for the control of the flood waters of the river. It was not the first expression of Congress of an interest in the subject, because Congress had many years previously set up the Mississippi River Commission which had, from time to time, done work toward the



improvement of the river. While, of course, as expressed in all the legislation, the purpose of the Government in the execution of these works under the supervision and control of the Mississippi River Commission was to improve navigation, the improvement of the river for purposes of navigation involved the question of flood control; but there had been no acknowledgment or admission of national responsibility so far as the control of flood waters was concerned.

In 1928 the Congress adopted the act referred to as the flood control act, and while the principle of local responsibility to the extent that there should be exacted some local contribution was recognized, yet the Congress in this act, and with specific reference to the project it adopted, declared that local interests had contributed to the control of the flood waters in the alluvial valley to the full extent of their responsibility, and whatever the cost of the construction of protective works might be that would effectively control flood waters was upon the General Government.

In section 2 of that bill there is found this language:

That it is hereby declared to be the sense of Congress that the principle of local contribution toward the cost of flood-control work, which has been incorporated in all previous national legislation on the subject, is sound; as recognizing the special interest of the local population in its own protection, and as a means of preventing inordinate requests for unjustified items of work having no material national interest. As a full compliance with this principle, in view of the great expenditure estimated at approximately \$292,000,000, heretofore made by the local interests in the alluvial valleys of the Mississippi River for protection against the floods of that river; in view of the extent of national concern in the control of these floods in the interests of national prosperity, the flow of interstate commerce, and the movement of the United States mails; and in view of the gigantic scale of the project, involving flood waters of a volume and flowing from a drainage area largely outside the States most affected and far exceeding those of any other river in the United States, no local contribution to the project herein adopted is required.

Now, mark you, in so far as the execution of the adopted project is concerned, there was a declaration made by the Congress that no contribution of any amount, in addition to what had already been made, should be exacted of local interests.

This brings me to a consideration of the conditions with which this bill deals.

In the execution of the project it was found by the engineers of the War Department, in many instances, that by abandoning protective works that were the result of more than 100 years of effort on the part of local interests, and contributed to by the General Government, in that the Government, through the Mississippi River Commission, had adopted the levee lines that had been set up by local interests and had been maintaining and otherwise improving these levee lines through all the years for the purpose of controlling the river, in order that it might advance and improve its conditions, so far as navigation is concerned. Along the river there are certain bends which the engineers found, in the execution of the project after the act had been adopted and after the declaration of Congress was made that local interests should not be required to contribute, might be cut off and entirely new levee lines constructed, which would result in a considerable saving to the Government; and the engineers in the exercise of their discretion in the execution of this project have deviated in many instances from the original levee lines and have set up levees which cut off into the intended main channel of the river areas, which, in effect, dedicate the properties in question to a public use, and there is resistance on the part of the War Department to the demand for just compensation.

Let me direct your attention to one specific case that I have in mind. It is down in Arkansas, and involves the land known as Pecan Point. Let me illustrate it here on this chart. Here is a bend in the river that comes back within 2 miles of where the first bend occurs.

This is not an extreme case; it is a fair illustration of all other cases where land has been taken through arbitrary and seemingly senseless changes in the original levee lines made by the engineers of the War Department and in reckless if not willful disregard of the rights of landowners whose property has been destroyed.

As I say, you find the river makes this bend here and comes back within 2 miles of where the bend began. Along the banks of the river there are levees, and they have been there for more than a hundred years. They are the development of local enterprise, and the Government has, since the creation of the Mississippi River Commission, helped to maintain them.

In destroying this tract of land by this cut-off levee the Government saved \$400,000—the difference between the cost of strengthening the levee around the bend by revetment and otherwise and the cost of the cut-off levy. The cost of improving the original line was estimated at \$600,000 and that of new line at \$200,000, and still there is objection to compensating the owners of this land that has been taken from them.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. COX. I yield.

Mr. WILLIAM E. HULL. Can the gentleman state what is the value of the land proposed to be flooded?

Mr. COX. I regret that I can not; but the value of this particular tract would hardly run over \$100,000. Certainly flowage rights could be acquired for this amount.

Mr. COOPER of Tennessee. I can give the gentleman from Illinois a direct answer. The land in question consists of 3,200 acres in this point, 3,000 of which is highly cultivated and in splendid shape, with valuable buildings upon it.

Mr. WILLIAM E. HULL. What is the value per acre?

Mr. COOPER of Tennessee. I have forgotten that; but it is fine agricultural land.

Mr. WILLIAM E. HULL. My purpose in asking was to ascertain whether the value was being taken into consideration in the expenditure.

Mr. COOPER of Tennessee. Oh, the valuation of the land justifies the cost of its protection. I would like to ask the gentleman from Georgia if it was not shown in the hearings that a certain property owner in that area did take the matter up with the Government engineers to ascertain whether it was the purpose of the Government to continue the levees as located, and that he had the assurance of the engineers that that was their purpose?

Mr. COX. A witness came before the committee and testified at length, and as a part of his testimony he filed a letter that he had from an engineer of the War Department, in charge of river work, which was in response to an inquiry from him, if it was the intention of the War Department to ever cut this point off into the main channel of the river, and in that letter the representative of the War Department declared that such was not the intention of the Government; and the man, with that assurance, bought part of the property and erected on it a magnificent country home.

Mr. JOHNSON of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. JOHNSON of South Dakota. There is no one in the War Department who would have any right to commit the Congress of the United States on any policy.

Mr. COX. Of course not; but that was the assurance given the prospective purchaser, and with that the purchaser bought the property; but that is beside the question. This property here, during all of the years, never has been subject to overflow from the river, and the construction of this line of levee was simply to eliminate a bottleneck in the river which, it is presumed, the engineers thought would result in the piling up of flood waters and the making of it more difficult to control at other points on the stream.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes.

Mr. SNELL. As I understand it, this bill applies to the whole river from Cape Girardeau down through?

Mr. COX. It does.

Mr. SNELL. Will the gentleman tell me how many acres of land the Government will have to buy if the bill is enacted into law?



Mr. COX. I can not answer the gentleman's question. I do not know.

Mr. SNELL. Does anybody know?

Mr. REID of Illinois. Yes. They would not have to buy any land. All they would have to do would be to use good engineering sense and follow the original plan, which provided that the levees should be rebuilt where they are, and we appropriated \$100,000,000 in the flood control bill in order to protect the levees from falling in, so that it would not cost one penny if the Army engineers would use good engineering sense. Is not that true?

Mr. COX. That is true.

Mr. SNELL. Let me ask this question. As I read the provision in section 3 it is that this shall be provided, the flowage rights—that is, at the expense of the Federal Government—and they shall be obtained by the State. What does that mean?

Mr. COX. The evident intention of that language is to secure State aid in obtaining needed lands at fair prices. The sole obligation that was put on local interests in the first instance was furnishing the beds for the levees where relocation became necessary. There was no intention upon the part of anyone—and certainly it was not the intention of the Committee in reporting the bill, and, if I may say so, not the intention of Congress when it enacted it into law—to make any demands on local interests for contribution of anything in the way of property or otherwise other than the mere beds for the levees that they might find it necessary to relocate.

Mr. SNELL. The gentleman will admit that when we had the bill before the House the real discussion centered around the point of whether the Federal Government should buy land down there or not.

Mr. COX. That related to the backwater areas.

Mr. SNELL. I admit that is true; but there are going to be some backwater areas here if you go through with this bill, and what I want to know is how many acres you are providing for that we may possibly have to buy? The gentleman from Illinois [Mr. REID] says that we will not have to buy any.

Mr. COX. You might obtain flowage rights.

Mr. SNELL. How many acres, and how much will it cost? If the engineers are in favor of it, why are they opposed to it at the present time?

Mr. COX. It is no surprise to me that the engineers are against this bill. As the gentleman says, they are. They were against the original legislation as it passed out of this House. From earliest times man has encroached upon the banks of rivers for the use of the rich soils in the valleys, and from this contest with the elements there was evolved the rule that everyone has the right to protect his property with dikes or levees to keep back the waters, without being responsible to his neighbors or to the owners on the other side of the stream. It was recognized that they have the equal right to protect themselves by similar means. On the other hand, there grew with the doctrine another of equal force, that "the free flow of water in rivers was secured from undue interference or burden created by obstructions to the flow, by deflections in its course, or any other act limiting the right to enjoy the flow or causing additional burdens by changing it." It follows that if the private individual who constructs a levee for the protection of his own property, so long as he does not interfere with the natural flow of the stream, is not liable to others for the effect thereof; neither is the Government, the State, levee boards, nor other similar agencies which contribute to or assume control of such works for the benefit of the public. The War Department probably takes the view that in improving the river for the public good there is no taking of the property in question, but only a subjection of it to a servitude to which it has always been liable.

In other words that—

So long as the owner remains clothed with the legal title to the land and is not ousted from the physical possession thereof his property is not taken, no matter to what extent his right to use

it is invaded or destroyed or its present or prospective value is depreciated. This is an erroneous view. The right of property, as used in the Constitution, has no such limited meaning.

Mr. Justice Day said:

Property is more than the mere thing which a person owns. It is elementary that it includes the right to acquire, use, and dispose of. The Constitution protects these essential attributes of property.

Mr. BRIGGS. Mr. Speaker, has a case deciding this question been before the Supreme Court?

Mr. COX. This case here, this particular case?

Mr. BRIGGS. Yes.

Mr. COX. In *United States v. Cress* (243 U. S. 716) the court, through Mr. Justice Pitney, said:

Power of the Federal Government to improve navigable streams in the interest of interstate and foreign commerce must be exercised, when private property is taken, in subordination of the fifth amendment.

Mr. BRIGGS. I was under the impression that there was some litigation growing out of this.

Mr. COX. There was a case, *Hurly et al. against Kincaid*, decided by the Supreme Court February 23, 1932, but did not settle the question here involved.

Mr. BRIGGS. Has there not been some judicial determination by the final court of the United States upon this subject?

Mr. COX. Yes; there had been some. The question was decided in *United States v. Lynch* (188 U. S. 445) and in the case of *Pumpelly against Green Bay*—I do not recall the volume in which it is reported—and there are many other cases.

Mr. GARBER. Will the gentleman yield?

Mr. COX. I yield.

Mr. GARBER. The gentleman is making a very informative statement, but it is very natural for the members of the committee to inquire, those who are in sympathy with this legislation, as to the extent of the mandate to the United States Government to provide flowage rights for certain lands described in the bill. May I inquire the approximate area and the approximate value?

Mr. COX. I think the cases that are given in the report of the committee which reported the bill cover practically all the cases.

Mr. GARBER. But it does not state the area; neither does it state the estimated value.

Mr. COX. Well, I can not give the gentleman that information.

Mr. LOZIER. Will the gentleman yield for a question?

Mr. COX. I yield.

Mr. LOZIER. Is it not true that both the Federal and States courts have held, since the foundation of our Government, in considering the Federal and State Constitutions, that the damaging of property is a taking within the meaning of the Constitution?

Mr. COX. The Supreme Court has held that the Government, in the improvement of the levee line of the river for navigation purposes, is not liable if some one down the river, miles away, suffers as a result of the water being thrown on his land, stating that it is consequential and must be suffered without damage; but that principle does not apply where the Government through the change of leases imposes a servitude which deprives the owner of land of the enjoyment of any of its elements of value—designed servitude is a taking within the meaning of the Constitution, so the gentleman is correct in his statement.

The constitutional rights of the people at certain points on the river are being invaded, and that, too, by agents of the Federal Government. In their desire to improve the public condition they are seeking to achieve by a shorter cut than the constitutional way of paying for what they take, and in this connection let me quote Mr. Justice Bradley in the case of *Boyd v. United States* (116 U. S. 616, 635), who said:

Illegitimate and unconstitutional practices get their first footing by silent approaches and slight deviations from legal methods of procedure.



Having specific reference to the effort of the agents of the Government to escape the responsibility that is imposed under the fifth amendment of the Constitution.

Quoting further:

This can only be obviated by adhering to the rule that constitutional provisions for the security of person and property should be liberally construed. A close and literal construction deprives them of half their efficacy and leads to gradual depreciation of the right, as if it consisted more in sound than in substance. It is the duty of courts to be watchful for the constitutional rights of the citizen and against any stealthy encroachments thereon.

Mr. SNELL. Will the gentleman yield?

Mr. COX. I yield.

Mr. SNELL. We will admit all of that. What we would like to know is how many acres it is proposed to buy and how much it will cost?

Mr. COX. I can not answer that question.

Mr. SNELL. Other gentlemen here have said they can.

Mr. COX. But there is no mandate in the law that the Government shall go out of the appropriation already made and authorized in the payment for any property which the Government, in the execution of the project, has found it necessary to take. The saving that will be effected by reason of change will probably be sufficient to pay for the property taken, but if not sufficient, this is no excuse for refusing to pay.

The question that should challenge the minds of Members of Congress is, Has the Government, under the circumstances that have been stated, taken property of its citizens? If it has taken it, then under the fifth amendment to the Constitution it is required to compensate the citizen to the extent of his damage.

Mr. BECK. Will the gentleman yield?

Mr. COX. I yield.

Mr. BECK. If that is so and there be a taking, there is no amendment required. There is a remedy to get full compensation for the taking.

Mr. COX. I expected that that question would be asked, and expected the gentleman to ask it. I take the position that under the law as it is, a private citizen has the right, when the Government comes in and seizes his property and dedicates it to public use, to go into the courts and enforce his constitutional rights. That has been done. A citizen of the State of Louisiana sought to obtain injunctive relief. The district court held with him. The circuit court of appeals held with him. The Government prosecuted the case to the Supreme Court, and the Supreme Court held that he had no right of injunction under the law. So, as the owner of a small tract of land, he is subjected to the expense of going over the whole ground again. Such an attitude on the part of the Government means, due to expense of long litigation, the small property owner is deprived of his constitutional rights, and, that too, by the Government itself. The purpose of the proposed amendment to the flood control act is to require the Government to compensate the owner of land at the time of the taking, and in good conscience this should be done.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. GOSS. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER pro tempore (Mr. HORNER). The Chair will count. Evidently there is not a quorum present.

Mr. COX. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 81]

Abernethy	Browning	Corning	Fulmer
Allgood	Burdick	Crowther	Gasque
Almon	Cary	Davenport	Gibson
Andrew, Mass.	Celler	Dickstein	Gifford
Auf der Heide	Chapman	Doutrich	Golder
Bacharach	Chase	Dyer	Granfield
Bacon	Clark, N. C.	Erk	Hartley
Baldrige	Collier	Eslick	Hollister
Bloom	Collins	Estep	Hull, Morton D.
Bohn	Condon	Flesinger	Igoe
Boylan	Connery	Fish	Jenkins
Britten	Cooke	Freeman	Johnson, Ill.

Johnson, Wash.	Loufbourow	Prall	Sullivan, Pa.
Kendall	Ludlow	Ragon	Summers, Tex.
Kennedy	Mitchell	Seiberling	Swing
Kerr	Murphy	Shallenberger	Tucker
Kunz	Nelson, Wis.	Shreve	Turpin
Kurtz	Norton, N. J.	Sirovich	Watson
Lamneck	Oliver, N. Y.	Smith, W. Va.	Welsh, Pa.
Lea	Owen	Stokes	Wood, Ind.
Lewis	Perkins	Strong, Kans.	Yon
Lindsay	Person	Sullivan, N. Y.	

The SPEAKER pro tempore. Three hundred and forty-four Members have answered to their names; a quorum is present.

Mr. COX. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. PURNELL. Mr. Speaker—

Mr. BANKHEAD. Mr. Speaker, will the gentleman from Indiana yield to me for an inquiry?

Mr. PURNELL. I yield.

Mr. BANKHEAD. It is apparent, of course, that for some reason there is a filibuster in progress to prevent a vote on the rule. I wonder if the cause of the filibuster might be removed by some form of agreement with reference to the distribution of the time or otherwise?

Mr. PURNELL. I will say to the gentleman from Alabama I have no knowledge of any filibuster.

Mr. BANKHEAD. The gentleman from Indiana has been in the Chamber and is a rather observant gentleman, usually.

Mr. PURNELL. I have some requests for time, and I was proceeding to continue the debate as far as I have it within my power to yield time.

Mr. BANKHEAD. I merely desire to suggest to the gentleman from Indiana if this procedure is continued it will merely penalize consideration of the Private Calendar. Of course the gentleman knows this measure will be the continuing order of business until it is disposed of.

Mr. PURNELL. I have no disposition to delay consideration of the matter, I will say to the gentleman. I only want to take about one minute before I yield to somebody who is opposed to the resolution.

The resolution was reported out by the Rules Committee on the 7th of March, almost two months and a half ago. I had no notice until I came into the Chamber this morning that the resolution would be called up to-day, although I have the honor of being the ranking Republican member of the Committee on Rules.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. PURNELL. I yield.

Mr. COX. I undertook to communicate with the gentleman a week ago. Not finding him in attendance upon the House I talked at length with the gentleman from Michigan [Mr. MICHENER], the next ranking member of the committee, and then informed him this resolution would be taken up immediately after consideration of the appropriation bill which was disposed of yesterday.

Mr. PURNELL. The gentleman is no doubt correct.

Mr. COX. Further than that, I have yielded the gentleman from Indiana half of the time on the rule.

Mr. PURNELL. I am not now finding fault with the fact I received no notice. I can not yield farther.

I am not finding fault, but I am merely offering that as an excuse for what I am about to say. I know nothing about the resolution or the bill which it makes in order. I have a very hazy recollection of having had the gentleman from Louisiana appear before the committee and make a statement with reference to the bill. As far as I personally am concerned I have an open mind. I am not now opposing this resolution. I am in the position of one seeking information. There are some facts about which I personally should like to have further enlightenment. No one has yet satisfied me that the bill does not involve, directly or indirectly, further appropriations from the Federal Treasury. That is one of the things I wish to have cleared up.

In order that we may proceed and in order to take care of requests for time which have come to me I shall use no further time myself.



Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I want to take two or three minutes to call the attention of the House and of the committee to the rather anomalous position we are in at the present time, when Congress is using every effort to balance the Budget, making every effort to practice every economy possible, and when we had a statement from the distinguished Speaker of the House on yesterday that enormous additional expenditures might be necessary to meet the unemployment which stares us in the face at the present time; and yet in the face of all this the Democratic majority bring in a special rule for the consideration of a bill that from the best information I can get will open wide the doors of the Treasury, and there is no limit to the expense that may be incurred by reason of it.

I do not know who is back of this bill nor who is for it. It is absolutely impossible to find out from reading the report how many acres of land it is proposed to buy, how much the cost will be, or anything definite in regard to the whole proposition.

Mr. WILSON. Will the gentleman yield?

Mr. SNELL. I will be glad to yield.

Mr. WILSON. If we can adopt this rule and take up the consideration of this bill, we will probably have time to give some information in regard to the bill.

Mr. SNELL. I have read the report presented to the House and find there is not a single definite statement in the whole report that would give anyone a reason to vote for this proposition.

Mr. FREAR. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. FREAR. Will the gentleman from Louisiana agree to give us some time on this side?

Mr. WILSON. Yes.

Mr. FREAR. I can not get time over here.

Mr. BANKHEAD. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. I want to express my surprise, in view of what the gentleman from New York has just said, that at this late period in the session, after practically all of the opportunities for economy have passed, the gentleman has just waked up to the necessity for some economy.

Mr. SNELL. I have been awake on this question of economy all the time and the gentleman well knows it. I want to say to the gentleman I did not vote for the \$132,000,000 road bill, nor a lot of others for which the gentleman voted. This action here just proves what I have said before, that you people are only talking economy. You do not really want it. I say right here and now that there is not a word in your report that would justify anyone voting for this bill. There is not a word of real information in it. You do not tell us anything about how much this is going to cost, how many acres you want to buy, or where it will lead. As far as any information I can get, the Army engineers, the people who have always worked on these propositions, the only people who have any definite knowledge about it, are absolutely opposed to what is proposed to-day.

Mr. DRIVER. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. DRIVER. I want to suggest to the gentleman that it will be an impossibility for this matter to be determined by any other organization than the engineers in charge. If an opportunity is afforded we will give the number of acres now involved.

Mr. SNELL. Why was not that information carried in the report? Why does not the report tell us something about it? In the bill you are providing for the payment of these lands, if I can read it correctly. This is the provision:

In the execution of the adopted project, the United States shall provide flowage rights over all lands, including compensation for damages to improvements thereon at the time of the taking.

With some exceptions, and so forth, and the Army engineers' report definitely against it.

Mr. COX. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. COX. The gentleman very properly is concerned about the question as to what additional money will be exacted from the Public Treasury if this bill is passed. Will the gentleman permit me to call his attention to the fact that in the change of the engineering plan, which has called for the offering of this resolution, there will be a saving of many millions of dollars?

Mr. SNELL. I can not yield further. I want to say to the House that I called the office of the Chief of Engineers this morning. I did not get the chief but I did get in touch with his ranking man. He said the estimate was entirely indefinite; that they knew nothing definite about it but felt it would be an extremely large expense and, in their judgment, it threw the doors of the Treasury wide open. If you gentlemen want to take the responsibility of doing that at this time, the responsibility is upon you and not upon us. But I want the country to know we are opposed to any such proposition or imposing any such unjustified or uncalled for authorization at this time.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. DALLINGER].

Mr. DALLINGER. Mr. Speaker, I do not like to differ with my dear friend from Louisiana, for whom I have the most profound respect, he having been the chairman of a committee of which I was a member. However, I can not support this rule nor the bill which the rule makes in order.

At the time the original flood control bill was under discussion it was seriously suggested and urged that when the taxpayers of the country were asked to engage in this enormous expense—which may amount to one thousand millions of dollars before it is over—that the people whose lands were to be protected, and the States and counties immediately concerned should make some contribution. It was decided otherwise finally, and because of the awful devastation of that flood the Representatives from other States, though paying a large share of the taxes of the country, voted for it.

Now, Mr. Speaker, in the part of the country where I come from, betterment assessments are assessed against property that is improved. We all know the danger to which all of the property in the lower Mississippi Valley is subjected and that its value at present, on account of the danger of flood, is seriously impaired. If, therefore, the Nation is to protect this property and greatly increase its value, the people owning it ought, in fairness, to share the expense instead of asking for consequential damages.

Mr. Speaker, this bill proposes to place an extra charge upon the Treasury which the proponents of the original act were not able to have inserted when the act was passed, and it opens the doors of the Treasury of the United States to the expenditure of untold millions for flowage.

Now, one particular case was called to the attention of the House on this map by the gentleman from Georgia. If any property is taken under the Constitution, the owners have their remedy under the Constitution. Something was said about an injunction which is an equitable process being denied by the Supreme Court of the United States; but under the Constitution, private property can not be taken for public use without just compensation.

Mr. COX. Will the gentleman yield?

Mr. DALLINGER. No; I can not yield.

As I have already pointed out, this bill puts an extra charge upon the Treasury that was not in the original bill. If a special case of hardship should arise, a private bill can be introduced; or if there are a number of such cases, Congress can refer them to the Court of Claims; but we should not pass this bill at a time when we are trying to cut down expenses and when we are trying to balance the Budget, because its enactment would open the door wide to the expenditure of untold millions from the Public Treasury. Mr. Speaker, I can not understand how any Member who is sincere in his desire to balance the Budget can vote for either the rule or the bill which the rule makes in order. [Applause.]

I yield back the balance of my time.



Mr. PURNELL. Mr. Speaker, I yield eight and a half minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, never before have I known any instance where the Congress of the United States has sought to pay to these levee districts that under the law have paid for the rights of way the amounts that they have disbursed. This bill under the last section would compel the National Government to do this, because it is to be effective from the date of May 15, 1928, when we passed the flood control bill, and the amount of money that under the law the levee districts were obligated to pay runs into the millions.

Mr. REID of Illinois. Will the gentleman yield?

Mr. STAFFORD. Let me make my preliminary statement and then I shall yield.

In that fundamental act it was stated as the declared policy and declared to be the sense of Congress that the principle of local contribution toward the cost of control work should be continued, referring to the fact that the local levee districts in flood control had spent up to that time \$292,000,000.

Later on in this act, in section 4, what do we find as the declared policy of Congress? Listen, gentlemen:

Provide, without cost to the United States, all rights of way for levee foundations and levees on the main stream of the Mississippi River from Cape Girardeau, Mo., and the Head of Passes.

There was the obligation and the express condition on which the Congress entered upon this work.

Mr. WILSON. Will the gentleman yield?

Mr. STAFFORD. After I make my preliminary statement.

What was this policy? Take the hearings on the War Department appropriation bill of this year with respect to committing the Government on this flood-control work. Prior to the enactment of the general act we had been spending on the average \$10,000,000 a year for flood control. In the act we passed yesterday there is appropriated \$35,000,000 for flood control on the Mississippi River as a part of a total cost to the National Government under this act, as you will find on page 141 of the hearings, of \$325,000,000.

Now you are seeking, just because your levee districts, perhaps, are in a little financial distress, to have the National Government take upon itself the payment of the rights of way for these levees that may have to be removed because the water has undermined the present existing site.

Mr. WILSON. Will the gentleman now yield?

Mr. STAFFORD. I shall yield later. I have some facts here which the gentleman did not have.

Let me call attention to what General Brown stated at page 144 of the hearings on the War Department appropriation bill as to the status of this levee work:

General BROWN. The main-line levees including those on the tributaries to protect the side basins are about half completed now and they will probably be completed in 1935.

Of the \$325,000,000 of obligation that the National Government took upon itself, under certain conditions which I have read, we have appropriated, including the \$35,000,000 appropriated yesterday, \$123,000,000.

What do you now propose to do? Under that act we did take upon ourselves the obligation to pay for all the flowage rights by basins back of New Orleans and these other two or three places, which were to divert the flood waters to protect these essentially dangerous places in case of heavy floods, and we are assuming that obligation and we are not attempting to dodge that obligation; but so far as levees are concerned, the established policy of the Government for 75 years, up to this moment, as declared in this act and all prior acts, as was stated in the act, has been that the procurement of the rights of way for these levees should be upon the local levee districts.

Mr. REID of Illinois. This bill does not change that.

Mr. STAFFORD. But you propose that when they move back the levees the National Government, instead of the levee districts, shall arrange for any damages that may be entailed, and I will say to you that these damages will be

much more if this burden is thrown upon the National Government than if it is borne by the local levee districts, for the reason that many times when the levee is moved back a little distance, the land between can be safely tilled by constructing minor drainage works, but we all know that when the National Government is called upon to hold the bacon, then regardless of section of the country, and even here in the District, they will pile up their damages until Uncle Sam is further and further burdened with such expenditures.

I have tried in every way to vote consistently for economy, and here we have the testimony of the Chief of Engineers that the levee work is going on satisfactorily and will be completed within two years. There is nothing in his testimony on the War Department appropriation bill or in the hearings before the Flood Control Committee to show wherein the work is being held back, because the levee districts are not taking upon themselves their true obligation.

How many instances are there since May 15, 1928, when the localities under the promise sanctioned in the law agreed to pay for the rights of way? How many are there? Sixty or more, involving damages that have been paid of from \$10,000 to \$150,000.

Why do you not adhere to the bond that was entered into when we took this tremendous burden upon ourselves to the extent of \$325,000,000? Why do you not adhere to the wording of the bond where it is expressly stated—

Mr. REID of Illinois. Will the gentleman now yield?

Mr. STAFFORD. I decline to yield now.

Where it is expressly stated that the levee districts shall provide, without cost to the United States, all rights of way for levee foundations and levees on the main streams?

Are you going to take the position now, that you got the Congress of the United States to agree to these terms under a false promise—a false promise in that you would call on Congress to abdicate that position—after Congress has appropriated the money that under the law it obligated itself to pay?

There are other districts in the country that are hard pressed. We have flood control in Milwaukee. We are not calling on the National Government to control the floods in the Milwaukee River. We have done more in the flood control of the Mississippi River to protect the great alluvial lands there than in any other section of the country. But, apparently, you are not satisfied with that. In these pressing times of economy you want to have the entire bag turned over to Uncle Sam.

For goodness sake, gentlemen, for one time try to be consistent in your pleas for economy. The \$132,000,000 appropriation for good roads at this session is a long time past, but do not resurrect the same ghost of extravagance by disregarding your promise as stated in the law of 1928. [Applause.]

I now yield to the gentleman from Illinois [Mr. REID].

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker and gentlemen of the House, when this bill was first before the House in 1928, Chief of Engineers, General Jadwin, estimated that, as passed by the Senate, it would reach about a billion and a half dollars for all reservoirs and many millions for flowage lands and other flowage propositions previously reported by the committee, of which my friend the gentleman from Illinois [Mr. REID] was chairman.

That bill as reported to the House and passed by the Senate was opposed by the President of the United States and by the entire Engineers Department of the United States. We opposed the bill here for five days in the House, and President Coolidge, with the advice of General Jadwin who had opposed it and helped in the fight, then through conferees cut it down from one and one-half billion dollars to about \$318,000,000. A saving of more than a billion dollars was secured from the bill reported by a majority of the House committee as urged by a minority re-



port I submitted. The Senate passed the House bill in just two hours debate, but it was thoroughly exposed when it reached the House.

We do not have much chance in this debate. The time is controlled by flood-control exponents on both Republican and Democratic sides, by Members in favor of the rule and a bill that may carry a hundred million dollars or several times that amount. Nobody knows what it will cost, but it involves a vast acreage that must be bought and paid for by the Federal Government at prices often ten times the actual value of the land taken. I have asked for 10 minutes to discuss the proposition and finally have been given time by the Republican side of the Rules Committee.

Mr. REID of Illinois. Will the gentleman yield?

Mr. FREAR. No; I regret I can not yield. The gentlemen now on the committee had charge of the extravagant Senate bill when last before the House, but we defeated them. Here is the situation: The gentleman from New York [Mr. LaGUARDIA], who helped me with the opposition when the Senate bill was then before the House, on my suggestion proposed one amendment, that only three times the total amount of assessed valuation of property should be recovered against the Government by local parties as damages for occasional flowage. That was opposed, because it was said by our Democratic friends it was a reflection on the people along the lower Mississippi River that they would not be fair. Senator Ransdell, of Louisiana, afterwards tried to explain to the Senate why the damages demanded and paid were ten times the total assessed value found on the Bonnet Carre flood way near New Orleans by a local board. Ten times the assessed value of the land was to be paid by the Government for occasional flowage. My colleague from Wisconsin [Mr. STAFFORD] has just explained that \$123,000,000 has been appropriated to date since 1928, and the cost will probably exceed the \$318,000,000 estimated in that bill because of land the Government is compelled to buy that is for flood protection of adjoining lands.

Will you get a fair estimate of values to be paid by the Government from any local boards?

Of course the Government will not. It has resulted as we predicted when we said the Government would be held up for many times the actual value of land that the States and localities ought to contribute for flood ways.

I want to read to the House from the Army engineers' report of 1931, which opposes these demands on the Government. It was going to cost \$1,500,000,000, when reported to the House at the beginning. We put a stop to that in the House and cut it down, as stated, to less than one-quarter of that amount, but bills like the one before us will add hundreds of millions of dollars to be paid by American taxpayers for many times the value of flowage lands that ought to be contributed locally as the Government is paying for levees and all other flood protection to protect these people and lands against floods.

Let me read briefly what the Government engineers' report of February 28, 1931 says:

That the adjustment of the equities of protection and lack of protection be left to those who alone can apply economically the benefits derived to such purposes, namely, the States and other local governmental agencies.

Again the report advises Congress:

Provided that no protection works other than levees along the main stream or its tributaries shall be built by the United States in any State until, by appropriate legislation, the State shall have protected the United States from all claims on account of flood damages of any kind whatsoever within the State.

Again I quote from the report:

Local interests shall furnish all rights of way and all flowage rights necessary for the execution of this project, except such as the United States has heretofore obligated itself to acquire at Bonnet Carre, La., and at Birds Point-New Madrid, Mo., and has actually acquired at other localities. The furnishing of rights of way and flowage rights by local interests is a condition precedent to entry by the United States on the work to which they pertain.

That is the advice of our Government engineers, but this bill demands that the Federal Government shall buy the

land and pay all damages at prices to be fixed by local boards. The law department of the Government to which Congress always looks for advice, warns us:

That no protection works other than levees along the main stream or its tributaries shall be built by the United States in any State, until by appropriate legislation, satisfactory to the Secretary of War, the State shall have protected the United States from all claims on account of flood damages of any kind whatsoever within the State.

We have here a proposition with no limit of expenditures put upon it. When first introduced the estimate was a billion and a half dollars, which, through threat of President Coolidge's veto and opposition in the House, was reduced to \$318,000,000. This bill starts a heavy and new Government cost. You can not estimate what it will be now or ever, and yet you are asked to pass this enormously wasteful bill urged by our Democratic friends in an economy administration. Are you gentlemen on the Democratic side going to vote for a proposition of that kind? I ask you to help defeat the rule that has been suddenly presented.

Mr. Chairman, the last report referred to contains the following detailed advice:

Reference is had to the report of the Chief of Engineers to Congress dated February 28, 1931, and to the marked clauses on pages 8, 13, and 14.

You will note the Chief of Engineers specifically recommends such an amendment, and the amendment above suggested is in almost the exact language of the recommendation of the Chief of Engineers.

The background of the situation is this: The act provides for three definite diversion constructions—New Madrid, Birds Point, and Bonnet Carre. The first diversion project is to protect the city of Cairo and the second another area in Missouri and the third the city of New Orleans. Each of these project constructions diverts water in the areas which would not be flooded under any circumstances except for the diversion constructions.

On the other hand, in time of flood it is expected that the water will flood the basins known as the Boeuf Basin and the Atchafalaya Basin. These basins are natural basins through which the flood water has always flowed in time of flood. To protect these basins and to localize the flow, the project provides for what is known as protection levees, also known as setback levees, which would guide the water, confine it to a smaller area, and prevent widespread flooding.

Under the Birds Point, New Madrid, Bonnet Carre diversions, the Government has also intended to acquire flowage rights over the land involved, and the Government is proceeding through condemnation to acquire such flowage rights. The prices that the Government has to pay for these flowage rights are extraordinarily exorbitant. In the great majority of cases, although the lands will be flooded probably not oftener than once in 12 years, we are paying more than the actual fee value of the land. In other words, the landowner is eating the cake and keeping it too.

But on the Boeuf and Atchafalaya Basins there is no intention on the part of the United States to pay for any flowage rights in those basins. The people who live in those basins, however, are insisting that flowage rights be acquired over all their lands, too, a claim which, in view of the amount of land involved, will ultimately obligate the Government to spend in the neighborhood of \$500,000,000 to acquire flowage rights simply because of the action of the Government in attempting to protect that general section of the country.

When the flood control act was sent to Congress by President Coolidge, President Coolidge remarked in his message that it was to be expected that the local States would pay the larger part of the expense. Sufficient pressure was brought on Congress, however, so that Congress assumed the duty of carrying, as a national obligation, the entire flood-control project. In other words, the entire United States agreed to protect these lands from floods. Whether this was a good thing or not it at least was an act of unparalleled generosity on the part of the United States toward a section which has been deemed valuable because of its



rich land, despite the floods. Not content with getting such generosity from the Government, these people now want the Government to pay, through the nose, for the very ground upon which the protection levees are to be built, and practically to buy all of the land between the protection levees, paying therefor more for the flowage rights, which may never be exercised, than the land itself is worth in fee simple.

The original flood control act contemplated the expenditure of approximately \$300,000,000 after reduction from nearly five times that figure. There was no intention to pay for these flowage rights above referred to. If, however, flowage rights are to be paid for and we use our experience as to the prices we have had to pay at Birds Point, New Madrid, and Bonnet Carre, it will cost the United States \$500,000,000. This \$500,000,000 is simply a holdup. It is looking in the mouth of a gift horse with a vengeance.

Consequently, the Chief of Engineers, as you will notice, recommended that none of these protection levees be constructed unless the United States was freed from responsibility for flowage rights and the cost of levee sites. The bill proposed by the rule is vicious and should be defeated.

There is pending now in the Supreme Court the Kincaid case, which will probably be decided within the next two or three weeks, in which all of the work is being enjoined until the United States pays for these flowage rights. There is very great pressure, and there will be additional pressure in this Congress, to get the United States to affirmatively agree to pay not only for the levee system but for the ground on which it is built and then buy the land protected also.

Mr. Speaker, that statement is to be overruled and the court's decision set aside by this high-handed attempt to pass a wasteful and extravagant bill without previous notice. The rule should be defeated. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. REID].

Mr. REID of Illinois. Mr. Speaker, I appreciate the kindness of the gentleman from Indiana [Mr. PURNELL] in yielding me three minutes. I hope no one will be misled by the misleading statements that have been made up to the present time. The two gentlemen from Wisconsin, both together, do not know what this bill is about. The former bill provided that the Government should pay for the flowage rights. You are not amending that or touching it. The Army engineers submitted a plan, and this House passed it, to rebuild the levees as you see here, following the contour of the river. We passed that, and that is the law at the present time. The Army engineers decided that it would be easier from an engineering standpoint, and cheaper from a governmental standpoint, not having to take into consideration the cost of the land that would be thrown out and that would be useless, so they decided to cut across a short distance. In other words, you have one leg of a triangle. For that reason they have changed the plan. Is it fair to have these private owners who came down from Iowa and Indiana, and I think one individual from New York, and purchased the land under the present Army plan of flood control—now to have their land thrown in the flood way?

It is just like a sewer district in your town getting permission to put a sewer in a street in front of your home and then deciding, as long as it did not have to pay any damages, to cut across your front yard with the sewer system. That is all this is. Not one dollar need be spent. The people do not want this land taken; they want the engineering plan followed that we adopted. These gentlemen are all wrong when they say there is a lot of money involved in this. We supplied \$11,000,000 a year extra for channel stabilization and river regulation and to shore up the banks to protect the levees from caving. This change that has been made is not necessary from an engineering standpoint, and merely makes the private people down there throw their land into the flood way without payment. It will just be like Mr. STAFFORD and Mr. FREAR throwing in their coats to help this economy program.

Mr. SCHAFER. What is the total approximate estimate of cost?

Mr. REID of Illinois. There should not be a dollar spent if the Army engineers will follow the plan they made and go around the point instead of cutting across with the levees.

Mr. SCHAFER. Make a provision to that effect.

Mr. REID of Illinois. You can not do it in this bill.

The SPEAKER. The time of the gentleman from Illinois has expired. All time has expired. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 63, noes 87.

Mr. COX. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 136, nays 186, not voting 110, as follows:

[Roll No. 82]

YEAS—136

Almon	Elzey	Kelly, Pa.	Patterson
Arnold	Englebright	Kemp	Peavey
Bankhead	Fernandez	Kleberg	Person
Barton	Fitzpatrick	Kniffin	Polk
Bland	Fulbright	Kopp	Ramspeck
Blanton	Fuller	Kunz	Rankin
Boehne	Gambrill	Kvale	Reid, Ill.
Briggs	Garrett	Lambeth	Rich
Buchanan	Gasque	Lanham	Romjue
Bulwinkle	Gilbert	Lankford, Ga.	Rudd
Busby	Gillen	Larrabee	Sanders, Tex.
Butler	Glover	Larsen	Sandlin
Canfield	Goldsbrough	Linthicum	Shannon
Cannon	Green	Lozier	Sinclair
Carden	Greenwood	McKeown	Spence
Carley	Gregory	McMillan	Steagall
Cartwright	Griffin	McReynolds	Stevenson
Chavez	Griswold	Major	Swank
Cole, Iowa	Guyer	Maloney	Swing
Cole, Md.	Hall, Miss.	Manlove	Tarver
Collins	Hancock, N. C.	Mansfield	Taylor, Colo.
Cooper, Tenn.	Harlan	May	Taylor, Tenn.
Cox	Hastings	Miller	Thomason
Cross	Hill, Ala.	Milligan	Vinson, Ga.
Crump	Hill, Wash.	Mobley	Vinson, Ky.
Cullen	Hopkins	Montet	Weeks
Davis	Howard	Moore, Ky.	West
Delaney	Hull, William E.	Nelson, Mo.	Whittington
DeRouen	Jacobsen	Niedringhaus	Williams, Mo.
Dies	Jeffers	Overton	Williams, Tex.
Disney	Johnson, Mo.	Parker, Ga.	Wilson
Doughton	Johnson, Okla.	Parks	Wingo
Doxey	Johnson, Tex.	Parsons	Wood, Ga.
Driver	Keller	Patman	Wright

NAYS—186

Adkins	Douglas, Ariz.	Lambertson	Schuetz
Aldrich	Douglas, Mass.	Lehlbach	Seger
Allen	Dowell	Lichtenwalner	Selvig
Amle	Eaton, Colo.	Loneragan	Shott
Andersen	Eaton, N. J.	Loofbourov	Simmons
Andrews, N. Y.	Evans, Calif.	Lovette	Smith, Va.
Arentz	Finley	Luce	Smith, W. Va.
Ayres	Foss	Ludlow	Snell
Bachmann	Frear	McClintock, Ohio	Snow
Baldridge	Free	McCormack	Somers, N. Y.
Barbour	French	McFadden	Sparks
Beam	Garber	McGugin	Stafford
Beck	Gavagan	McLaughlin	Stalker
Beedy	Gilchrist	McLeod	Stewart
Black	Goodwin	McSwain	Strong, Kans.
Boileau	Goss	Magrady	Strong, Pa.
Bolton	Hadley	Mapes	Stull
Bowman	Haines	Martin, Mass.	Summers, Wash.
Brumm	Hall, Ill.	Martin, Oreg.	Summers, Tex.
Buckbee	Hall, N. Dak.	Mead	Sutphin
Burtness	Hancock, N. Y.	Michener	Swanson
Cable	Hardy	Millard	Swick
Campbell, Iowa	Hare	Moore, Ohio	Taber
Campbell, Pa.	Hart	Morehead	Temple
Carter, Calif.	Haugen	Mouser	Thatcher
Cavichia	Hawley	Nelson, Me.	Thurston
Chindblom	Hess	Nolan	Tierney
Chiperfield	Hoch	Norton, Nebr.	Tilson
Christgau	Hogg, Ind.	Palmsano	Timberlake
Christopherson	Hogg, W. Va.	Parker, N. Y.	Treadway
Clagde	Holaday	Partridge	Underhill
Clancy	Holmes	Pettengill	Warren
Clarke, N. Y.	Hooper	Pittenger	Wason
Cochran, Mo.	Hope	Pratt, Harcourt J.	Watson
Cochran, Pa.	Hornor	Pratt, Ruth	Welch, Calif.
Condon	Horr	Purnell	White
Cooper, Ohio	Houston, Del.	Rainey	Whitley
Coyle	Huddleston	Ramseyer	Wigglesworth
Craill	Hull, Morton D.	Ransley	Williamson
Crosser	Jones	Reed, N. Y.	Withrow
Crowe	Kading	Reilly	Wolcott
Culkin	Kahn	Robinson	Wolfenden
Dallinger	Kelly, Ill.	Rogers, Mass.	Wolverton
Darrow	Ketcham	Rogers, N. H.	Woodruff
De Priest	Kinzer	Sanders, N. Y.	Wyant
Dieterich	Knutson	Schafar	
Dominick	LaGuardia	Schneider	



## NOT VOTING—110

Abernethy	Cooke	Igoe	Owen
Allgood	Corning	James	Perkins
Andrew, Mass.	Crisp	Jenkins	Pou
Auf der Heide	Crowther	Johnson, Ill.	Prall
Bacharach	Curry	Johnson, S. Dak.	Ragon
Bacon	Davenport	Johnson, Wash.	Rayburn
Bloom	Dickinson	Karch	Sabath
Bohn	Dickstein	Kendall	Seiberling
Boland	Doutrich	Kennedy	Shallenberger
Boylan	Drane	Kerr	Shreve
Brand, Ga.	Drewry	Kurtz	Sirovich
Brand, Ohio	Dyer	Lamneck	Smith, Idaho
Britten	Erk	Lankford, Va.	Stokes
Browning	Eslick	Lea	Sullivan, N. Y.
Brunner	Estep	Leavitt	Sullivan, Pa.
Burch	Evans, Mont.	Lewis	Sweeney
Burdick	Flesinger	Lindsay	Tinkham
Byrns	Fish	McClintic, Okla.	Tucker
Carter, Wyo.	Fishburne	McDuffie	Turpin
Cary	Flannagan	Maas	Underwood
Celler	Freeman	Mitchell	Weaver
Chapman	Fulmer	Montague	Welsh, Pa.
Chase	Gibson	Murphy	Wood, Ind.
Clark, N. C.	Gifford	Nelson, Wis.	Woodrum
Collier	Golder	Norton, N. J.	Yates
Colton	Granfield	O'Connor	Yon
Connery	Hartley	Oliver, Ala.	
Connolly	Hollister	Oliver, N. Y.	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Flesinger (for) with Mr. Turpin (against).  
 Mr. Drewry (for) with Mr. Bacon (against).  
 Mr. James (for) with Mr. Seiberling (against).  
 Mr. Yon (for) with Mr. Kurtz (against).  
 Mr. Curry (for) with Mr. Johnson of South Dakota (against).  
 Mr. Karch (for) with Mr. Maas (against).  
 Mr. Browning (for) with Mr. Smith of Idaho (against).  
 Mr. Eslick (for) with Mr. Woodrum (against).  
 Mr. Collier (for) with Mr. Granfield (against).  
 Mr. Boylan (for) with Mr. Bohn (against).  
 Mr. Byrns (for) with Mr. Gifford (against).  
 Mr. Ragon (for) with Mr. Gibson (against).  
 Mr. Chapman (for) with Mr. Fulmer (against).

General pairs:

Mr. Crisp with Mr. Bacharach.  
 Mr. Corning with Mr. Davenport.  
 Mr. Rayburn with Mr. Hollister.  
 Mr. Oliver of New York with Mr. Wood of Indiana.  
 Mr. Montague with Mr. Connolly.  
 Mr. Brunner with Mr. Murphy.  
 Mr. McDuffie with Mr. Kendall.  
 Mr. Kennedy with Mr. Burdick.  
 Mr. Underwood with Mr. Andrew of Massachusetts.  
 Mr. Auf der Heide with Mr. Crowther.  
 Mr. Weaver with Mr. Shreve.  
 Mrs. Norton with Mr. Yates.  
 Mr. Pou with Mr. Jenkins.  
 Mr. Sullivan of New York with Mr. Golder.  
 Mr. Lindsay with Mr. Fish.  
 Mr. Lamneck with Mr. Dyer.  
 Mr. Abernethy with Mr. Perkins.  
 Mr. Tucker with Mr. Brand of Ohio.  
 Mr. Connery with Mr. Colton.  
 Mr. O'Connor with Mr. Erk.  
 Mr. Oliver of Alabama with Mr. Johnson of Washington.  
 Mr. McClintic of Oklahoma with Mr. Hartley.  
 Mr. Bloom with Mr. Lankford of Virginia.  
 Mr. Allgood with Mr. Britten.  
 Mr. Celler with Mr. Johnson of Illinois.  
 Mr. Drane with Mr. Stokes.  
 Mr. Sabath with Mr. Tinkham.  
 Mr. Brand of Georgia with Mr. Estep.  
 Mr. Kerr with Mr. Freeman.  
 Mr. Clark of North Carolina with Mr. Doutrich.  
 Mr. Dickstein with Mr. Carter of Wyoming.  
 Mr. Evans of Montana with Mr. Nelson of Wisconsin.  
 Mr. Prall with Mr. Lovette.  
 Mr. Sweeney with Mr. Sullivan of Pennsylvania.  
 Mr. Shallenberger with Mr. Cooke.  
 Mr. Dickinson with Mr. Chase.  
 Mr. Sirovich with Mr. Fishburne.  
 Mr. Cary with Mr. Mitchell.  
 Mr. Lewis with Mr. Bolland.  
 Mr. Burch with Mrs. Owen.  
 Mr. Flannagan with Mr. Igoe.

Mr. JAMES. Mr. Speaker, if permitted to vote, I would vote "aye."

The SPEAKER. Was the gentleman present in the Chamber and listening when his name was called?

Mr. JAMES. I was not.

The SPEAKER. The gentleman does not qualify.

Mr. BYRNS. Mr. Speaker, I would like to vote "aye."

The SPEAKER. Was the gentleman present in the House and listening when his name was called?

Mr. BYRNS. I was not.

The SPEAKER. The gentleman does not qualify.

Mr. FULMER. Mr. Speaker, just as I entered the Chamber I heard my name called, but I was unable to answer.

The SPEAKER. The gentleman does not qualify.

Mr. FULLER. Mr. Speaker, my colleague the gentleman from Arkansas, Mr. RAGON, is unavoidably absent. If present, he would vote "aye."

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. GIFFORD, is unavoidably absent. If present, he would vote "no."

The result of the vote was announced as above recorded.

## PRIVATE CALENDAR

Mr. BANKHEAD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House for the consideration of bills on the Private Calendar, with Mr. BANKHEAD in the chair.

The CHAIRMAN (Mr. BANKHEAD). The House is in Committee of the Whole House for the consideration of bills on the Private Calendar under clause 6 of Rule XXIV of the House.

The Clerk will call the first bill on the Private Calendar.

## FRANKLIN D. CLARK

The Clerk called the first bill on the Private Calendar, H. R. 927, for the relief of the estate of Franklin D. Clark.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Chairman, reserving the right to object, I think it might be well, Mr. Chairman, for the distinguished Chairman of the committee to state, as this is the first bill to be considered under the new rule adopted by the House about six weeks ago, what the privileges of the Members are with regard to objecting, and in the consideration of the bills.

As I understand, a Member who is opposed to a bill may have the right to proceed for five minutes. Then the Member in favor of the bill may proceed for five minutes. Then the Chair is obliged to submit the question whether the bill shall be considered, and if three objections are made, it goes over. If not, it is given consideration.

The CHAIRMAN. The Chair so understands the rule.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. STAFFORD. Mr. Chairman, when this bill was originally called for consideration I asked the indulgence of the House for five minutes to read a decision found in Forty-fourth Federal, page 516, which upheld the right of the Board of Managers of the Soldiers' Home to withdraw pension money, which the inmates have received from time to time, and transfer it to the post fund. I then stated that had it not been for the fact that during the six years I was out of Congress I had a most worthy case, on which occasion I looked up the law, I would not stand here and cite the law and register my opposition to a bill that has been introduced by my colleague the gentleman from Wisconsin [Mr. SCHAFER].

The case that came to my attention was a very meritorious case and the facts were similar to the case here. Congress established the policy that as far as pension money was concerned, where there is no widow or minor child living, the money may be transferred to the post fund; and if there is no widow or minor child living, then the estate will not have the right to get the fund. I have here a well-considered opinion upholding a former Member of the House, Judge Peters, in the United States district court, in which the respective laws of Congress are construed, and in which they uphold the right of the Congress.

I will only read very briefly, because I do not wish to take up more time than necessary. This is the most recent decision, rendered in 1930. I read:



The construction contended for by the Government in this case, and upheld in the court below, appears to be the only reasonable one. The intent of Congress, by which it is provided that every inmate of a home, on entering the home, enters into an agreement that all personal property he may possess at his death, in case he dies in the home, leaving no heirs at law or next of kin, and not disposed of by will, shall vest in the Board of Managers of the home for the benefit of the "post fund" of the home.

In this case there were two executors appointed. There was a will, where the property had been transferred over, and yet the circuit court of appeals upheld the decision of the lower court and held that that was the intent of Congress.

I was in this body when the law was passed as a rider on an appropriation bill. The law had as its basis the protection of the Government, and provided that if we are paying pension money to inmates of the home, it should have the right to withdraw it for the benefit of the post fund, and that it should not be diverted from the post fund unless a widow or minor children survived.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. COCHRAN of Missouri. The decision the gentleman just read states, "unless the man leaves next of kin or a will."

This man left next of kin, a daughter, with several children; and he left a will. In that will he stipulated he wanted her to have the money for the benefit of the children, and he specifically provided that he did not want a certain son to have any of the money.

Does the gentleman mean to say he does not want the grandchildren of this man who left a will to have his money at his death? They are not friends; they are children of his daughter.

Mr. STAFFORD. I take the position that the Congress of the United States has established a policy in the enactment of a law, and it is not right to have a special law for one set of favorites and another law for others.

Mr. Chairman, I object.

Mr. COCHRAN of Missouri rose.

The CHAIRMAN. Does the chairman of the committee desire recognition?

Mr. COCHRAN of Missouri. Mr. Chairman, I desire to yield to the gentleman from Massachusetts, the author of the bill.

The CHAIRMAN. Under the rule the gentleman from Missouri, the chairman of the committee, is entitled to recognition for five minutes.

Mr. COCHRAN of Missouri. Mr. Chairman, the gentleman from Wisconsin [Mr. STAFFORD] has read the decision handed down by the court in 1930.

The decision stated that where the soldier did not leave next of kin, or a will, the money was to revert to the home. If that were the case in this bill, there would be no use to take up the time of the committee arguing. This soldier accumulated over \$1,000. I repeat he left a will, in which he provided that the money should go to the children of his daughter, whose husband, as I recall it, was sick and could not work.

The committee brought the governor of the soldiers' home to Washington and kept him here for two days, not only on this bill but in order to go into the entire question. At that hearing it was disclosed that money properly belonging to veterans and their heirs was being diverted to the post fund. The post fund is supposed to be used for the purpose of providing amusements, and so forth, for the inmates of the home. However, it was disclosed in the hearings that money in the post fund had even been used to buy fire apparatus.

We are considering a clean-cut case where a veteran of the Civil War wanted what he possessed left to the children of his daughter and specifically provided in the will that his son should receive none of it.

Mr. DALLINGER rose.

Mr. COCHRAN of Missouri. I yield to the gentleman from Massachusetts.

Mr. DALLINGER. Mr. Chairman, I reported this bill after a hearing before a subcommittee, and it was subsequently—

Mr. STAFFORD. Mr. Chairman, I rise to a question of order.

The CHAIRMAN. The gentleman makes the point of order the gentleman from Missouri can not yield any of this time to the gentleman from Massachusetts. The point of order is well taken.

Mr. COCHRAN of Missouri. Mr. Chairman, I yield to the gentleman from Massachusetts; I do not yield the floor.

The CHAIRMAN. The gentleman from Missouri is entitled to the floor. The gentleman from Missouri, in the opinion of the Chair, can yield to the gentleman from Massachusetts for a question or for a statement.

Mr. COCHRAN of Missouri. Mr. Chairman, I yield to the gentleman from Massachusetts to refresh my memory on what occurred in the subcommittee.

Mr. DALLINGER. Mr. Chairman, our subcommittee found that the United States Code, section 136 of title 24, which gives the intention of Congress in regard to this matter, states that personal property owned by such applicant at the time of his death, including money and choses in action held by him and not disposed of by will, shall go to the home.

In this case the man left a will. It is perfectly evident that never did Congress intend that money which belonged to a man should not go to the people to whom he left it by his will.

Mr. COCHRAN of Missouri. Mr. Chairman, I think the chairman of the subcommittee has properly presented this case to the committee.

Mr. SCHAFER. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. SCHAFER. Is it not a fact that after holding extensive hearings and after Mr. Wood, the president of the Board of Managers of the National Home for Disabled Volunteer Soldiers, had testified, the subcommittee of the Expenditures Committee unanimously recommended favorable action on the bill and so reported to the full committee, and that then the full committee voted the bill out without a dissenting vote, after considering the facts brought to its attention by the subcommittee?

Mr. COCHRAN of Missouri. That is a fact. Further than that, the committee was to consider legislation amending this law.

Mr. SCHAFER. It was the opinion of the committee that the Board of Managers had specifically violated clear mandatory provisions of law written by Congress.

Mr. COCHRAN of Missouri. That was brought out not once but half a dozen times.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. EATON of Colorado. This case and others like it are all based upon the technical consideration of the law by the comptroller without looking back either into the law under which he is acting or the preceding laws which were re-enacted in the statute of 1910.

Mr. COCHRAN of Missouri. To a certain extent that is true.

[Here the gavel fell.]

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Chairman, I object.

The CHAIRMAN. Three objections are required. The Chair hears but one objection. The Clerk will report the bill.

Mr. STAFFORD. Mr. Chairman, will the Chair permit me to submit a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. I wish to state to the Chair that I think I inadvertently misled the Chair into the ruling made a moment ago. The rule, as the Chair will see, provides an initial 10 minutes of general debate, 5 minutes controlled by the Member offering the objection or reservation and 5 minutes controlled by the chairman of the committee report—



ing the bill or in his absence by any Member supporting the bill. I think the word "controlled" would grant to either the Member objecting or reserving the right to object, and to the chairman of the committee or the proponents of the bill the right to control five minutes' time. I would like to have a ruling by the Chair on that, as we are starting on this initial procedure.

The CHAIRMAN. Without very carefully examining the rule, the Chair is inclined to accept that interpretation.

Mr. BACHMANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BACHMANN. Mr. Chairman, does that mean that the Member in control of the time may yield time to some other Member of the House?

The CHAIRMAN. He can yield for a statement or a question.

Mr. SWING. Mr. Chairman, may I follow that with another parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. SWING. Frequently the chairman of the committee does not know the facts. There should be a liberal interpretation in order to get the facts before the committee. It seems to me the chairman should be permitted to yield to the Member who is the author of the bill, if he so desires.

The CHAIRMAN. If the gentleman from California will refresh his recollection about the rule, he will find that under the rule the control of the time is specifically given to the chairman of the committee, or, in his absence, to some Member who is in favor of the bill.

Mr. SWING. I think he ought to be permitted to yield time.

The CHAIRMAN. That question is not before the Chair at this time. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the board of managers of the National Home for Disabled Volunteer Soldiers is hereby directed to pay to the executor of the estate of Franklin D. Clark, late of Company F, Twenty-eighth Regiment Wisconsin Volunteer Infantry, Civil War, \$1,468, which was the amount of undrawn pension in the hands of said Board of Managers at the time of the death of the veteran, and which amount was not paid to the executor of the estate as directed in said Franklin D. Clark's last will and testament dated May 19, 1922, but diverted into the post fund of the National Home for Disabled Volunteer Soldiers.

The CHAIRMAN. Is there any opposition to the bill? If not, the Chair will recognize the chairman of the committee to make a motion that the bill be laid aside, to be reported back to the House with a favorable recommendation.

Mr. COCHRAN of Missouri. Mr. Chairman, I move that the bill be laid aside to be reported back to the House with a favorable recommendation.

The motion was agreed to.

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent to insert at this point a short brief upon the subject covered in this bill, and which gives the history of the statutes.

The CHAIRMAN. Is there objection?

There was no objection.

The brief is as follows:

This is H. R. 927, introduced by Mr. SCHAFER, for the relief of the estate of Franklin D. Clark. It is No. 1 on the Private Calendar. A Civil War veteran at the National Home for Disabled Volunteer Soldiers saved a part of his pension money and by will devised his saved pension, but upon request of the executor of his estate payment was refused by the Comptroller General of the United States.

The gentleman from Wisconsin [Mr. STAFFORD] has objected to this bill and cited in support of his position *Durack v. National Home for Disabled Volunteer Soldiers* (44 Fed. (2d), 516), which is a decision by the United States Circuit Court of Appeals of the First Circuit of a Maine decision.

The decision refers to the statutes of 1881, 1882, 1902, 1910, and 1912 and supports the action of the home in refusing to pay money to an executor, but that case does not show that the soldier willed any part of the money to any person, as appears here.

The act of 1881, as amended in 1882 and 1912, provided for disposition of the balance of pension money on discharge of veteran in express words. The act of 1881 and its amendment in 1882 designated the disposition of funds in case of death of veteran, and

included "legal representatives" in the classification of those who were rightful beneficiaries.

By act of 1902 the class was limited to widow, minor children, or dependent mother or father, in order named.

The act of 1910 did not change the previous statutes, but prescribed the contract to be entered into with a veteran and provided that all personal property owned and held by the veteran at the time of his death, "and not disposed of by will, whether such property be the proceeds of pensions or otherwise derived" should pass to the post fund of the home. I emphasize—only the money not disposed of by will might go to the home. As a matter of construction and good faith, note that by the contract required by statute to be made, there is expressly reserved and saved to the veteran the right to dispose of his personal property by will, including money saved from his pension.

This right has not been the subject of any legislation since 1910.

In 1912 a statute amended some details of the then existing statute in regard to the payment of pensions and forgery of endorsements upon pension checks, and contained a saving clause stating that it should not "be construed as amending or repealing" the statute of 1882. No reference was made to the statute of 1902 limiting the class to "widow, minor children, or dependent mother or father."

Now, what is the necessary and logical conclusion? Whatever reasons may be advanced for the passage of the act of 1910, it is clear that in the next session of Congress it was intended to give full faith and credit to the statute of 1882 and to declare what property rights might be the subject of the contract by which the right of the veteran to enter the home was defined.

One of those rights was to dispose of his unused pension by will. Of what benefit is the right if the exercise of it is denied? Are the words to be entirely disregarded because the next Congress expressly saves the law as it was prior to 1910 and 1902 and leaves in existence the old laws of 1881 and 1882 as incorporated therein?

I submit that the conclusion must be that when the statute of 1912 prescribed only the manner of payment of the pension money and provided punishment for forgery of a pension check, its words and saving clause should not be perverted to cover the disposition of the money after it had been deposited in the home by or on behalf of the veteran, and that his statutory contractual right should be respected.

Therefore, if the veteran did dispose of his pension savings and other personal property by will, his testamentary disposition is to be respected as to any property willed to a named legatee, and no ruling of the Comptroller General should interfere therewith.

Under the circumstances shown in the report of this bill, Congress should pass this relief bill to order payment of the money to the executor for delivery to the legatee named in the will.

I suggest that the committee reporting this bill have drafted a new statute expressly repealing all of the old ones hereinabove referred to, saving any and all rights accrued thereunder, and either make the new statute conform with the 1910 statute or else amend the latter so that no more similar disputes may arise.

WILLIE LOUISE JOHNSON

The Clerk called the next bill, H. R. 799, to extend the benefits of the employees' compensation act of September 7, 1916, to Willie Louise Johnson.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Chairman, reserving the right to object—

Mr. BLACK. Mr. Chairman, do I understand the gentleman objects?

The CHAIRMAN. Under the rule the gentleman from Wisconsin is entitled to recognition for five minutes.

Mr. STAFFORD. I did not get much support when the former bill was under consideration, but I was consistent in my position. I had taken that same position when the bill was first considered. I gave the committee the benefit of the study I had made of the matter and I did not receive much support. So I do not know whether my position in respect to this bill will have any support.

Mr. Chairman, this bill, according to the report of this Congress, as well as the last Congress, shows that this claim was submitted to the United States Employees' Compensation Commission and that commission turned it down.

I may say right here I do not intend to go through with this seemingly wasteful effort in trying to protect the Treasury if I am not to receive some support. The Treasury means no more to me than it does to you. I am frank in my position. I am not trying to take up any time unnecessarily. I have gone over this report and I am going to state my position. I am not seeking to prevent any person getting his just deserts.



Now, what do the facts show? Here is a claim that was presented in due season immediately after the accident. The man was employed in the navy yard and had a slight abrasion or contusion on the head. The Employees' Compensation Commission found that this accident did not cause the death of this man and turned the claim down. Now, this bill provides "It is hereby authorized and directed," which is a mandatory provision against the position taken by the Employees' Compensation Commission, that this injury did not result in this man's death, but did result in his death.

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Texas.

Mr. BLANTON. I simply want to find out "where we are at." There are 809 bills on this calendar, some of them involving several hundred thousand dollars. Under the new rule if a Member can not get up here and in five minutes convince his colleagues that the bill ought not to be passed the measure passes ipso facto. Is not that the situation?

Mr. STAFFORD. Surely.

Mr. BLANTON. Where will that lead?

Mr. STAFFORD. It will lead to hundreds of thousands of dollars being drained out of the Federal Treasury, and this was the position I took in opposing this rule before the Committee on Rules.

Mr. BLANTON. It will mean governmental bankruptcy practically. That is what it is going to mean. And we must organize and stop these bad bills from passing.

Mr. STAFFORD. I took that position, as I have stated, before the Committee on Rules and stated that the Democratic majority of the House in these times could not afford to adopt such a policy. We are trying it out now.

Here is the statement of the Assistant Secretary of the Navy on this bill:

In drilling holes in a tank the motor hung, causing him to fall and strike his face against the edge of the tank, causing a contusion of the right side of the face. He was attended by the medical officer of the yard, but was not incapacitated as the result of this injury nor did he lose any time on account thereof.

I submit the matter to you. I have done my duty and I am not going to take up any further time.

I object, Mr. Chairman.

Mr. BLACK. Mr. Chairman, I yield three minutes to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman, I would like to say to the gentleman from Wisconsin that this is the case in which I gave him the report of the coroner's inquest.

It was not the blow on the head that caused his death. Here was a man who had been working for 20 years and had not missed a day for over a year. The machine struck him over the kidneys, and within four or five days after this blow the man died.

Mr. STAFFORD. I have fallen in sawing off limbs of trees and have fallen on my head, and I have never made any claim against anybody.

Mr. LANKFORD of Virginia. Within four or five days after this accident this perfectly healthy man died. The doctor made a wrong diagnosis in the case.

Mr. BLANTON. Mr. Chairman, there are more than three objectors here; why take up any more time with this bill?

The CHAIRMAN. The Chair will state to the gentleman that we have not reached that stage in the procedure.

Mr. LANKFORD of Virginia. Mr. Chairman, I hate to take up the time of the committee unnecessarily, but I am thoroughly convinced of the justice of this case. Here was a perfectly healthy man, who had worked for 20 years and had not missed a day in the last year. He received this blow in the side and died in four days. The naval surgeon who attended him said he had hysteria within a few hours of the time of his death. They also called in a private physician, who properly diagnosed his trouble, but the man died in the greatest agony. He has left a widow who is practically penniless and helpless. This is a case where the United States Compensation Board turned the claim down on the basis of the diagnosis of the naval doctor, which I submit was a mistake.

The blow which this man received was over the kidneys, and that is what killed him.

I wanted to give the committee the facts, and these are the facts in the case.

The CHAIRMAN. Is there objection?

Mr. PATTERSON, Mr. BLANTON, Mr. STAFFORD, and Mr. GRISWOLD objected, and the bill was referred to the deferred list.

HOWARD LEWTER

The Clerk called the next bill, H. R. 808, to extend the benefits of the employees' compensation act of September 7, 1916, to Howard Lewter.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Reserving the right to object, to-day a procedure is being inaugurated radically different from that under prior calls of this Private Calendar. I might say to those who have not attended night sessions that it has been the rule of those who have been charged with scrutinizing the Private Calendar not to extend the privileges of the compensation act, which was passed in September, 1916, to any injury that occurred prior to that date. This bill seeks to extend the compensation act of 1916 back to an injury happening in 1913. It would be quite a heavy burden if we opened up the Treasury to claims of all kinds for injuries that happened prior to 1916, as this bill proposes.

There was an act in force prior to 1916, which granted a year's compensation to all who received injuries in the Government service.

Now, I think that mere presentation shows that it would be unwise policy to open up the gates of the Treasury to injuries that occurred prior to 1916.

Mr. MOUSER. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MOUSER. There are a number of cases where injuries occurred prior to 1916, where claims would be made if this bill establishes such a precedent.

Mr. STAFFORD. Yes; there are hundreds of them.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. EATON of Colorado. This is a typical case, where the claimant was entitled to compensation under the old law, but payment was completed before the compensation law of 1916 went into effect. Now, 16 years after the compensation law went into effect, he comes in and wants to be reinstated, and asks for full compensation for the intervening 16 years and from now on.

Mr. STAFFORD. Not only that, but he asks us to establish a policy of allowing compensation beyond 1916.

Mr. BLANTON. And the department says that the bill if enacted would give the claimant greater compensation than was allowed by the legislation in force at the time of the injury.

Mr. COCHRAN of Missouri. Mr. Chairman, the objectors seem to be adopting a policy for the entire House. As we all know, three Members can stop the passage of one of these bills. I believe it is very important to get more information as to the interpretation of the rule that we are working under.

Mr. STAFFORD. Let me say that I stated the policy that we were working under, those of us who are charged with the duty of scrutinizing these bills.

Mr. COCHRAN of Missouri. Well, the whole House is charged with that, if it does its duty.

Mr. STAFFORD. That same observation applies to those unconscionable claims that are reported from the Committee on Claims.

Mr. COCHRAN of Missouri. Let me ask the gentleman—

Mr. STAFFORD. Mr. Chairman, I decline to yield further. The gentleman can make a statement in his own time. Mr. Chairman, I merely stated what I thought should be the policy, and it rests with the House to determine whether we should follow that policy or not. If we are going to adopt a policy that every person injured prior to the compensation act of 1916 is to be entitled to the benefits



of that act, let us be fair and pass general legislation, and not favor this one or that one under political favoritism.

Mr. BLACK. Mr. Chairman, if I have a right to yield the time, I yield to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman, I want to explain the reasons for filing this claim. This boy is the son of an old colored woman, almost 80 years of age. He is a cripple, he is on crutches, and can not walk without the crutches and a cane. He has been in that condition for 16 years. It seemed to me that if there ever was a case which deserved consideration of the Government it is this case. He was climbing up an electric pole in the navy yard and was shocked. He fell; and he will be in that condition all of his life, with this old colored woman his only support, and she is between 70 and 80 years of age. She can hardly walk. If you are going to adopt the rule that you will not go back of any of them, I have nothing to say. This is a pathetic case, and I felt justified in asking the consideration of Congress for it.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. MOUSER, Mr. EATON of Colorado, Mr. STAFFORD, and Mr. BLANTON objected, and the bill was referred to the deferred list.

#### MORRIS DIETRICH

The next business on the Private Calendar was the bill (H. R. 1034) for the relief of Morris Dietrich.

The Clerk read the title of the bill.

The CHAIRMAN. Is there objection?

Mr. PATTERSON. Mr. Speaker, I object.

Mr. BLANTON. I object.

Mr. EATON of Colorado. I object.

The CHAIRMAN. Under the rule, the sponsor of the bill or the chairman of the committee has a right to explain its provisions.

Mr. PATTERSON. Mr. Chairman, I rise to a point of order. I quote from the rule:

When the Clerk shall have read the bill the same shall be considered unless objection or reservation of objection is made to immediate consideration. Should objection or reservation of objection be made there shall be 10 minutes' general debate to be divided, 5 minutes controlled by the Member offering the objection or reservation, and 5 minutes controlled by the chairman of the committee reporting the bill, or in his absence by any Member supporting the bill. If, after such debate, three objections are not forthcoming the bill shall be considered under the 5-minute rule: *Provided, however*, That the total debate under the 5-minute rule shall not exceed 20 minutes.

The CHAIRMAN. The Chair is familiar with the rule. What is the gentleman's point of order?

Mr. PATTERSON. The point of order is that three objections will cut off debate.

The CHAIRMAN. That is not the construction of the rule by the Chair. A careful reading of the rule it seems to the Chair would lead to the fair construction that, although the objection of three Members will prevent the consideration of the bill and send it to the deferred list, at least the spirit and even the letter of the rule provides that opportunity be given to those who desire to explain the bill and for those making the reservation of objection to be heard. In the opinion of the Chair that is a right conferred upon the members of the committee, and the Chair overrules the point of order. In the opinion of the Chair the reason for that construction is that if a reasonable opportunity be given to debate the merits of the bill it might remove possible objection to its consideration. Is there objection?

Mr. PATMAN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. PATMAN. Mr. Chairman, instead of criticizing the Members of the House who are spending so much of their time investigating these bills, I commend them. I know it requires a great deal of time and effort to properly prepare themselves to present their objections to the House. They have to read the reports of committees and they have to get

information from the different departments. They have to spend considerable time and go to lots of trouble that otherwise they would not have to do. I have not been spending any time on these private bills because I have not had the time, and I was perfectly willing to accept the judgment of the gentleman from Texas [Mr. BLANTON] and the judgment of the gentleman from Wisconsin [Mr. STAFFORD] and other Members of the House who have been giving these private bills considerable attention and study. I think the old rule is a better rule than this one.

I want to invite attention to criticisms that have been urged against Members of the House of Representatives that I do not think should be urged. I have before me a statement that is being published all over the country against Members of the House of Representatives. It is untrue. It is unwarranted. The facts do not justify it at all.

It is as follows:

Not many of us ever thought that we were furnishing Congressmen and Senators free eating in the congressional café, but we are. We doubt if any of us ever thought we furnished a most elegant barber shop in the Capitol Building, where our lawmakers, between their speeches on economy, can have hair cuts and shaves, shampoos, hair and whiskers dyed, blackheads extracted from the noble noses of the solons, and shoes shined, all free; but we do.

Did you know we pay for a free shaving mug for every one of these Representatives and Senators and that we pay \$36 a dozen for golf balls for them to play with?

The above statement appeared in the Marshall Morning News, Marshall, Tex., under the heading Public Office a Private Snap, and has been reprinted in other newspapers. It is an amazing statement. I am unwilling to be put in the attitude of condoning such outrageous conduct. There is a café in the House wing of the Capitol. It is a great convenience to the Members. It is quite a distance from the Capitol to the nearest point where a café could be located on private property. Congress meets at 12 o'clock noon. Members usually attend committee meetings until the House meets. By getting their noonday meals at the Capitol they are near by in the event of a vote or other important proceedings. The café does not render free service. The price charged is higher than any café I have ever visited in Washington. It is necessary to charge high prices so as to make it self-sustaining, since there is only one meal served each day. A barber shop is also maintained in the Capitol for the convenience of the Members of the House of Representatives. The price of a shave is 25 cents. The price in most of the shops in Washington is 20 cents. Hair cuts are 60 cents. The price in most of the shops in Washington is 40 cents and none over 50 cents. Shoe shines are 10 cents, the customary price. I have not received any of the other services mentioned in the newspaper item; but my information is that every service is charged for and no Member of the House of Representatives receives free service in a barber shop but pays a higher price than is charged in other shops in the city. No Member of the House has a shaving mug furnished to him free, neither is he furnished golf balls.

#### MOTHER-IN-LAW ON PAY ROLL

The item states further:

And not only this but it appears that the great majority of these servants (?) of ours have their relatives on the Government pay rolls, wives, sons, daughters, nephews, nieces, mothers-in-law, brothers-in-laws, and all kinds of in-laws.

I can not speak for other Members. I do know that I have never placed a relative on my pay roll. I have a secretary and an assistant secretary who earn their salaries, and who are paid by the Government. It is often necessary to have an additional employee in my office, and to have considerable stenographic and clerical work done by others. When this is necessary, it is done without expense to the Government, and without deductions from the salary of either of my employees.

#### CONDUCT OF A PUBLIC OFFICIAL

I have always maintained that a public office is a public trust; that an officeholder should so conduct the people's business that no criticism of his official conduct would be corroborated by unexplained facts. We should not do things



that are all right, but have to be explained; and certainly it is wrong for an officeholder to do something secretly that he would not do publicly. Much has been said about the pay rolls of the Members being secret. I made a speech in the House May 9, 1932, in which I denounced the policy of expending public funds secretly. All public funds should be expended subject to public inspection. To-day a resolution was passed permitting public inspection of all current expenditures of the House of Representatives. A law should be passed making all income-tax returns subject to public inspection. Tax money is collected and refunded in secret. All expenditures of the Reconstruction Finance Corporation should be subject to public inspection. Secrecy is a badge of fraud. When the tax bill was before the House I endeavored to secure the passage of an amendment making all tax returns and refunds subject to public inspection; the amendment lost. I hope such an amendment is put on in the Senate.

As a member of the Legislature of Texas for four years, and as district attorney of the fifth judicial district of Texas for five years, and as a Member of Congress for three years, it has been my policy not to accept free services of any kind—not even tickets to theaters or passes on railroads or busses. I have tried to refrain from placing myself in a position that might make it the least embarrassing for me to do my full duty in compliance with my oath of office.

#### CONGRESSMEN SUBJECT TO INCOME TAX LAWS

The report is being circulated that Members of Congress do not have to pay income taxes on their salaries. This is untrue. They pay income taxes the same as other people. Members of Congress have also voted at this session a reduction in their own salaries and voted to increase the income-tax rate on their incomes. In addition, a reduction has been voted for mileage and stationery allowance. Some people seem to think that if Congressmen would reduce their own salaries 50 per cent the deficit would be overcome. If Congressmen did not draw salaries for one year it would save the income-tax payer 15 cents on every \$100 payment; if reduced 50 per cent, it would save 7½ cents on every \$100 collected from income-tax payers.

#### DEAR DOLLARS AND CHEAP COMMODITIES OUR PRINCIPAL TROUBLE

The people have a right to complain about high taxes. However, it is not the increased governmental expenditures that is the whole cause of the trouble. It is the increased purchasing power of the dollar that has doubled taxes. A few greedy bondholders and other selfish interests that have charge of the financial system of the Government have caused a contraction of credit and the slowing up of the velocity of money and credits until every dollar is worth from two to four dollars measured in the commodities that our debts are paid in on the basis of the value of the dollar at the time most of the debts were contracted.

A correction of the money system will correct practically if not all our economic troubles.

Mr. PATTERSON. Mr. Chairman, a point of order.

The CHAIRMAN (Mr. BANKHEAD). If the gentleman will allow the Chair to make a statement, I think the Chair may anticipate what the gentleman has in mind.

A question has been raised, and upon it the present occupant of the chair rendered an opinion which, upon reflection and reconsideration, the Chair now believes was erroneous and improper.

A question was raised whether or not a proper construction of the rule did not provide that if there were instantly three objections to the consideration of a bill that would carry it over to the "deferred list," without the privilege of occupying the 10 minutes of debate.

In the opinion of the Chair, in reflecting upon the discussions upon the adoption of the rule before the Committee on Rules, and by a very careful reading of the proviso in the rule, the Chair is clearly of the opinion that the somewhat hasty decision reached a few moments ago is in error, and the Chair is now of the opinion that if a bill is called and three members of the committee rise and object to its consideration that automatically carries it to the "deferred list."

Mr. LINTHICUM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LINTHICUM. That is not the way the rule reads, Mr. Chairman.

The CHAIRMAN. The Chair is of the opinion that that is the proper construction of the rule.

Mr. LINTHICUM. I thought the reservation of objection was to give a Member a chance to explain his bill so that the House could know what the bill was before the time came for objection; and certainly the rule reads that way.

Mr. BUSBY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUSBY. The rule further states that on reservation of objection the person making the reservation has the right to control five minutes of time allotted. Does the Chair construe the word "control" as requiring the one who makes the reservation of objection to actually use that time himself, or to control it in the sense that that term is usually used when a certain amount of time is allotted that may be re-allotted by the person controlling the time?

The CHAIRMAN. The Chair has ruled upon that proposition. The ruling may be in error, but the Chair is convinced that the rule itself anticipated that the gentleman being recognized should control the time, five minutes, if he desired, and that he should not parcel it out by one minute or two minutes or one-half minute.

Mr. BUSBY. And that in order to control it he must use it himself?

The CHAIRMAN. That is the opinion of the Chair.

Is there objection to the present consideration of the bill?

Mr. BLANTON, Mr. STAFFORD, and Mr. EATON of Colorado objected, and the bill was referred to the deferred list.

Mr. LINTHICUM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LINTHICUM. When a gentleman objects to a bill, the rule provides that then there shall be 10 minutes' debate on the bill.

The CHAIRMAN. The rule does not provide for five minutes' debate if three objections are made. It is immediately carried to the deferred list.

Mr. FRENCH. Would the Chair hear me upon that particular construction?

The CHAIRMAN. Certainly. The Chair will hear the gentleman from Idaho.

Mr. FRENCH. It seems to me that the effect of the three objections made would be to leave discussion for five minutes on each side, and then if the three objections are persisted in, the bill would pass to the deferred list. On the other hand, if three objections are not had at the expiration of the 10 minutes, then further discussion would be had to the extent of 20 minutes. It seems to me that that is the meaning of the rule. The purpose of the 5-minute discussion on a side is to determine whether or not the objections or reservations may be withdrawn. It will be noted also that this 10-minute discussion is not included as part of the 20 minutes under the 5-minute rule.

Mr. BRIGGS. Mr. Chairman, if that is not the meaning of the rule, then what does the rule mean when it provides there be 10 minutes general debate?

The CHAIRMAN. It reads:

After the debate hereinbefore referred to, or when the bill is first called, if objection is made by three Members to the consideration of the bill, then the same shall be passed over and carried to a list designated as "deferred."

#### ESTATE OF KATHERINE HEINRICH

The Clerk called the next bill, H. R. 1130, a bill for the relief of the estate of Katherine Heinrich (Charles Grieser and others, executors).

Mr. MOUSER. Mr. Chairman, I reserve the right to object.

Mr. Chairman, I dislike to raise an objection to a measure introduced by the gentleman from Idaho [Mr. FRENCH] who is a very conscientious legislator, but in this instance it is



quite apparent the executor of the estate, the claimant for relief because of an excessive amount paid by virtue of the Federal estate tax, slept on his rights and was guilty of laches.

Under the law it was necessary to file within a period of four years an application for refund of excessive payments growing out of Federal estate taxes. In this instance the executors, through their attorneys, are supposed to have mailed a claim for refund to the internal revenue collector in Idaho. The letter was not sent by registered mail, or by special delivery, but by ordinary mail. There apparently was no inquiry addressed to the Internal Revenue Department of the Treasury within a period of four years. Finally, about a month after the expiration of this time, a second application was filed and received.

It seems to me the claimant has clearly slept upon his rights, and that it is a bad precedent to permit a refund of this nature under the facts as reported by the committee. Therefore, at the proper time I shall be compelled to enter my objection.

Mr. BLACK. Mr. Chairman, I yield to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Chairman, the pending bill provides for the refund of \$494.84 to the estate of the late Katherine Heinrich (Charles Grieser and others, executors), Genesee, Idaho, on account of an overpayment in this amount of Federal estate tax. The tax was paid November 10, 1921. The gentleman from Ohio has stated briefly the situation with this exception, that application for refund was made within a period of four years provided by law. In this particular case application for refund would need to have been made prior to November 10, 1925. As a matter of fact, application was made through the attorney for the claimants on March 6, 1923, or two and one-half years within the time fixed by law. The gentleman stated correctly that the application was not inclosed in a registered letter or sent by special delivery mail. It was mailed as ordinary mail. I have furnished the committee an affidavit of the lawyer, Mr. C. J. Orland, of Moscow, Idaho, who represented the executors to the effect that the executors did make the application and that they executed the application on forms or blanks furnished and that he found within his files a carbon copy of his letter of transmittal addressed "Collector's Office, Boise, Idaho," and dated March 6, 1923, and that to his best remembrance and belief he deposited said letter and application for refund in the post office at Moscow, Idaho.

Mr. Grieser, one of the executors, called repeatedly upon the attorney in the case, Mr. Orland, and reminded him of the fact that application had been made and that nothing had been heard from the Internal Revenue Bureau. However, Mr. Orland, accustomed as he was to delay in the department in acknowledgment of letters and refund of money, assured the executor that the fact that there was delay meant nothing other than the normal delay incident to matters of this kind.

Mr. MOUSER. Mr. Chairman, will the gentleman yield right there?

Mr. FRENCH. I yield.

Mr. MOUSER. I do not want to interrupt the gentleman's explanation, but the attorney did not write to the Internal Revenue Department to secure information as to the progress of the claim in behalf of his client. Is not that correct?

Mr. FRENCH. That is true; and I think he should have done it. On the other hand, he was going upon experience he had had during many years of practice, and was recognizing the delays that occur in matters of this kind in dealing with different departments of the Government. Mr. Orland is one of the ablest and most careful of lawyers.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. I yield.

Mr. EATON of Colorado. Is not this a case where the Government has the money and the executors had to make the effort to get their money back?

Mr. FRENCH. That is true; the Government has the money. If any Member here were in the place of the Government, he would not go to bed to-night before refunding the money to Mr. Grieser.

The fact of the matter is, the executors did not know they had overpaid until the department notified them. They then made application very shortly.

Finally, as the gentleman from Ohio has said, after the four years were up and they had heard nothing of their application they tried to find what had become of it, and found it had never been received by the collector's office. Immediately application was renewed and that application is the one the department states came too late.

I submit, Mr. Chairman, the executors did everything they were in duty bound to do. They did make the application within the proper time. There was no laches upon their part.

Mr. BLANTON. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. BLANTON. They had the right to come in and make their claim just the same as any other claimant?

Mr. FRENCH. And they did.

Mr. BLANTON. If they have exhausted their legal rights, why should they ask Congress to respond?

Mr. FRENCH. They did make the application within the proper time.

Mr. BLANTON. But they were turned down.

Mr. FRENCH. No; no. The application failed because the Post Office Department in some way failed to deliver the letter.

Mr. BLANTON. But the estate had an attorney, and the attorney should have looked after it.

[Here the gavel fell.]

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. BLANTON, Mr. MOUSER, and Mr. PATTERSON objected, and the bill was referred to the deferred list.

A. L. HEDDING

The Clerk called the next bill, H. R. 1350, for the relief of A. L. Hedding.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. GRISWOLD. Mr. Chairman, reserving the right to object, this is a bill to which I have already objected. The evidence in it is such evidence that could not be collected upon in any court of law. It attempts to collect damages for injury to a truck by a Government automobile, the claim being that the automobile was going uphill and had no lights on it when, as a matter of fact, according to the report, it was not required, under the law of California, to burn lights at that hour, the accident having happened at 5.41. I object to the bill.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado, Mr. BLANTON, and Mr. GRISWOLD objected, and the bill was referred to the deferred list.

BRUCE BROS. GRAIN CO.

The Clerk called the next bill, H. R. 1525, for the relief of Bruce Bros. Grain Co.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. PATMAN. Mr. Chairman, reserving the right to object, in regard to the criticism against Members of Congress, I want to invite again your attention to the criticism from which I read a few minutes ago. The charge was made:

Not many of us ever thought that we were furnishing Congressmen and Senators free eating in the Congressional Café but we are.

I do not claim to know anything about the other side of this Capitol, that is, the Senate of the United States. I do not know whether that charge is true as to the Senate or not, but I do know it is not true as to the House of Representatives. I have never received a free meal at this



House restaurant and I do not believe any other Member of the House of Representatives has ever received a free meal. You pay the same price there, and more, than you pay down town or at any other restaurant in the city.

Mr. MOUSER. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. MOUSER. As a matter of fact, the House restaurant is self-sustaining because of the money paid by Members for their meals and in entertaining their visitors.

Mr. PATMAN. I thank the gentleman for that contribution.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. Eight or 10 years ago the House restaurant did cost the Government \$50,000 or \$60,000 annually and put the Treasury in the hole every year, but that has been corrected. The House caused that situation to be overhauled. Our friend from North Carolina [Mr. WARREN] is now in charge of it; he is putting some business into it, and he is trying to get that institution on a business basis. And all of us must back him up 100 per cent. I think the criticism probably comes because of conditions that existed years ago.

Mr. PATMAN. Let me again invite your attention to this. It says:

We doubt if any of us ever thought we furnished a most elegant barber shop in the Capitol Building where our lawmakers, between their speeches on economy, can have hair cuts and shaves, shampoos, hair and whiskers dyed, blackheads extracted from the noble noses of the solons, and shoes shined, all free, but we do.

Mr. BLANTON. That too, if my colleagues will permit, is absolutely untrue as to the situation at the present time, for as he correctly stated, we pay now full price for shaves, haircuts, shampoos, and massages. But some years ago there was a large sum of money spent each year by the Government on the House barber shops, with salaries paid, and other expenses that were subject to criticism, but the House of Representatives has long since stopped such abuses, and, as the gentleman said, there is not a word of truth in said newspaper criticism so far as the House of Representatives now is concerned.

Mr. PATMAN. There is not a word of truth in that as far as the House of Representatives is concerned. I do not claim to know anything about the other body. It says that each Representative is furnished with a free shaving mug. If there is a free shaving mug furnished to any Member of the House of Representatives, I do not know anything about it. I have not been in the barber shop very much, but I do not think a free shaving mug is furnished to the Members.

Mr. EATON of Colorado. Why not state that there is not a shaving mug in the barber shop?

Mr. PATMAN. I have never seen one there.

Mr. LINTHICUM. They are not sanitary anyhow and nobody uses shaving mugs any more.

Mr. DIES. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. DIES. Will the gentleman state where that paper is published?

Mr. PATMAN. The Marshall Morning News, of Marshall, Tex., published the statement.

Mr. DIES. In view of the fact that this paper is published in my district, I am sure they must have been misinformed. I want the gentleman to write the paper and see if the editor is fair enough to correct this statement

[Here the gavel fell.]

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. BLANTON and Mr. EATON of Colorado objected.

Mr. BLACK. Mr. Chairman, I want to make a point of order against objections being offered at this time. Reservations of objection have been made, and the Member making them has then proceeded to talk for five minutes about restaurants, barber shops, and golf balls.

Immediately when he is through three other Members get up and object to the bill, and the committee and the author of the bill are barred from any discussion.

I make a point of order against objections being made after the five minutes of time are exhausted. They should be made either before or after that time.

The CHAIRMAN. The point of order is overruled.

Is there objection to the present consideration of the bill?

Mr. EATON of Colorado, Mr. BLANTON, and Mr. STAFFORD objected.

Mr. COCHRAN of Missouri. Mr. Chairman, I would like to be heard. The rule provides for five minutes in favor of the bill.

The CHAIRMAN. The Chair was not apprised of the fact the gentleman desired recognition. The gentleman from Missouri is recognized for five minutes.

Mr. COCHRAN of Missouri. Mr. Chairman, in the absence of the gentleman who introduced this bill, who was just called from the hall, I would like to ask the gentleman from Texas [Mr. BLANTON] what are his objections to the bill?

Mr. BLANTON. Mr. Chairman, if the gentleman will give me 10 minutes to explain my reasons, I can convince the gentleman himself that he ought not to vote for this bill as a matter of sound Government policy, but in a few seconds of time no man on earth could state his reasons.

Mr. COCHRAN of Missouri. Mr. Chairman, I have read the report. This bill provides for an appropriation of \$279.90 to correct a mistake made by an agency of the Government. We have a statement here from the then Secretary of Agriculture, Mr. Wallace, and I may say that the gentleman from Texas always looks at the report and tells the committee what the department states. Why not in this case? Mr. Wallace said:

It would seem that the second appeal grade certificate was issued without regard to the regulations and under the circumstances should not have been issued at the late date of July 23. This was the first case of this kind which arose in the administration of the act and as soon as the matter was brought to our attention, steps were immediately taken to prevent a recurrence of the situation.

It is evident it was a mistake of the Government and it cost a private corporation \$279.90.

I do not think the gentleman from Texas is in possession of the facts, because if he were, the gentleman could explain in less than 10 minutes. It is my opinion the gentleman should withdraw his objection. I can not agree with the gentleman that as a matter of sound Government policy the bill should not be passed. It appears to me to merit favorable consideration.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. MOUSER, Mr. EATON of Colorado, and Mr. BLANTON objected, and the bill was referred to the deferred list.

THOMAS H. DEAL

The Clerk called the next bill, H. R. 1928, for the relief of Thomas H. Deal.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. GOLDSBOROUGH. Mr. Chairman, I reserve the right to object.

I believe the members of the committee will be very much interested to know that the Common Council of Detroit on day before yesterday indorsed the bill H. R. 11499, passed by the House on May 2 last by a vote of 289 to 60, "to restore and maintain the purchasing power of the dollar"; also that the Board of Aldermen of Chicago passed a resolution day before yesterday requesting the Congress of the United States to pass legislation to raise the wholesale commodity price level to the 1926 level.

I would like to refer the members of the committee to an article in the Bulletin of the National City Bank, the second largest bank in the United States, of May, 1932, in which the statement is made:

Able economists have maintained for years that the central banks of the world possessed the requisite organization and power,



acting in cooperation, to stabilize the state of credit and the general price level to such an extent as to prevent the wide fluctuations which result in panic and disorder.

I am reading this in connection with the widespread criticism of an uninformed press.

I also desire to call the committee's attention to an article in a very conservative financial weekly, *Barron's*, of April 25. It is the leading article, under the title "Will the Gold Standard Survive?" I read a short extract from this article:

With little foresight we have contracted to use this unrelated variable (referring to gold) for the repayment of all our mortgages and the fulfillment of all our contracts, and even for the taxes on the land itself. In the case of all mortgages we have, therefore, imposed upon our farms, our land, our railways, and our homes, which are the true constants, a promise to pay in terms of a variable. The result can be, and now is, disastrous. For the equity of a property—the value over and above the mortgage—fluctuates with multiplied violence, and the change in value of the equity is not imaginary but real.

I think it would be worth the while of every Member of Congress to read this article, which covers two or three pages of *Barron's*.

In the *New York Herald Tribune* of May 15 is an article dated London, May 14. I quote:

This position has produced in Britain, as well as in America, a growing demand for remedial action by the Government. Prices, it is declared, can be raised through appropriate monetary measures, and it is Government duty to adopt such measures with the least possible delay.

The debate in the House of Commons on the financial bill this week became almost a demonstration in favor of controlled inflation. Two former chancellors of the exchequer, Sir Robert Horne and Winston Churchill, led the way, and their pleas were echoed by members of all parties. Outside of political circles similar, if slightly more moderate, arguments have recently been published in a monthly review of the *Midland Bank* and in the *Economist*, among the most responsible and most conservative of financial reviews in the country.

Mr. ARENTZ. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. ARENTZ. Assuming that it is necessary to discuss the merits of this bill, and that such discussion be had on the termination of the five minutes by those opposed to the bill, how is it possible for the proponents to present their arguments?

The CHAIRMAN. Any Member can make a point of order.

Mr. BLANTON. So as to get the position of the opponents of this bill before the committee let me say that the department held that there was no proof whatever of any burglary, and therefore we ought to defeat this bill.

Mr. BLACK. Mr. Chairman, I want to serve notice on the House that when gentlemen object or reserve an objection to a bill, they must confine their remarks to the bill. I do that in the interest of the committee, so that gentlemen who are entitled to state their objections may do so, and those entitled to respond may get time, and we can hear both sides.

Mr. ARENTZ. Does the gentleman intend to state the position of the proponents of this bill?

Mr. BLACK. This is a bill for the relief of a postmaster in Alaska. He wants a refund from the Government, because of a robbery, where certain Government property was stolen from a post-office safe. I think the Government treated the postmaster in a very harsh fashion. In the first place, the inspectors accused the man of participation in the crime. They charged him with robbing his own safe. That was never substantiated. The postmaster had his own bonds in the safe with the Government property. His bonds were taken with the other property.

The inspectors also said the postmaster was negligent, because he kept the combination in the drawer, and took it out in the daytime and opened the safe.

I do not think that is anything; the man might have had a bad memory, and he had to have the combination in an accessible place. I think the Congress ought to see that this man gets his money.

Mr. MOUSER. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. MOUSER. Does not the gentleman think that the postmaster was responsible for keeping the post-office receipts in his safe at Fairbanks, one of the largest towns in Alaska? Did he not owe a duty to place the Government securities in a bank or in a safety-deposit box?

Mr. BLACK. Human nature is a selfish proposition. I think any man in the Government service who takes the same care of the Government's receipts as he does of his own property can not be charged with negligence in his responsibilities toward the Government. This man did that.

Mr. MOUSER. We can not afford to encourage negligence on the part of postmasters in the handling of Government funds. He might just as well have put the money and bonds in the drawer of his desk.

Mr. BLACK. He put them in a safe.

Mr. BLANTON. He might just as well have put them in the cuspidor. There are entirely too many postmasters over the country having burglaries, which, when investigated by the department, show that such postmasters were at least negligent, and should be held responsible. Postmasters over the United States must understand that they are the custodians of Government property, and that they must carefully guard it just as they would their own, and when they have losses that could have been avoided, they are going to be held responsible.

The CHAIRMAN. Is there objection?

Mr. MOUSER, Mr. BLANTON, and Mr. STAFFORD objected, and the bill was referred to the deferred list.

NOBLE JAY HALL

The next business on the Private Calendar was the bill (H. R. 1962) for the relief of Noble Jay Hall.

The CHAIRMAN. Is there objection?

Mr. GREEN. Mr. Chairman, I reserve the right to object. I trust there will be no point of order made, for I shall take just a moment. I am particularly interested in the unemployment program as advanced by the Speaker.

Mr. BLACK. Mr. Chairman, I make the point of order that the gentleman is not speaking to the bill.

Mr. GREEN. Mr. Chairman, I ask unanimous consent that I may be permitted to extend my remarks in the *Record* and include therein a short bill introduced by myself on the unemployment situation in so far as the public-building construction is concerned.

The CHAIRMAN. The gentleman should make that request in the House.

Mr. GREEN. I shall make that request later, and shall not object to the bill.

Mr. BLACK. Mr. Chairman, other gentlemen were on their feet ready to object, and I think the Chair should ask whether there is objection to the bill.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado. Mr. Chairman, I object.

Mr. STAFFORD. I object.

The CHAIRMAN. Two objections are made. Three are required. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$350 in full settlement of all claims against the Government of the United States to Noble Jay Hall, father of Bille Eugene Hall, who died as a result of injuries received in the laundry at Vancouver Barracks, Wash., July 26, 1928.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I was one of two Members to object to the consideration of this bill. The amount involved is rather small, but it involves a principle. I think the father of the child was more negligent than the Government, in view of the fact that the father neglected taking care of this minor child in his custody and allowed it to go on premises that were dangerous. I rise to register my objection so that the bill will not be used as a precedent in the future. No one wishes to raise objections at length to bills for small amounts, but there is no question that this bill is simply taking money out of the Treasury without justification.



The bill was ordered to be laid aside with a favorable recommendation.

FRANK W. CHILDRESS

The next business on the Private Calendar was the bill (H. R. 2595) for the relief of Frank W. Childress.

The CHAIRMAN. Is there objection?

Mr. PATTERSON, Mr. MOUSER, Mr. BLANTON, and Mr. EATON of Colorado objected, and the bill was referred to the deferred list.

EDWARD CHRISTIANSON

The next business on the Private Calendar was the bill (H. R. 2606) for the relief of Edward Christianson.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Chairman, I reserve the right to object. This bill was inadvertently objected to by a Member before he really appreciated the policy which was being followed—that in cases of injuries that occurred subsequent to the date of the compensation act, September 7, 1916, where the claimant was unaware of the law and was barred by the statute of limitations in that he had not presented his claim within one year he should be entitled to present his claim before the Compensation Commission. I told the author of the bill that I should have no objection to a substitute, which I shall propose, with the provision that no benefit shall accrue until the date of the enactment of the act, and also to a provision that the commission be empowered to investigate whether he is really entitled to the relief.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BLANTON. The gentleman is familiar with the fact that the Department of Commerce reports that it has no record of Edward Christianson having been poisoned by impure water during his employment on lightship No. 77, and that under the circumstances the approval of the bill would not appear to be warranted.

Mr. STAFFORD. This is the substitute which I shall offer and which I hope will be accepted by my colleague from Wisconsin [Mr. SCHNEIDER]:

Strike out all after the enacting clause and insert:

"That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Edward Christianson, a civilian employee of the United States Coast Guard, who claims to have been poisoned by impure water drunk while serving aboard the Peshtigo lightship No. 77, at Peshtigo, Wis., on or about December 15, 1919, in the same manner and to the same extent as if said Edward Christianson had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the enactment of this act."

Mr. BLANTON. If that is accepted, there could be no objection.

Mr. MOUSER. Is there any evidence that any other man on the ship was poisoned by this drinking water at the same time?

Mr. STAFFORD. The substitute proposes for the Compensation Commission to determine that question. He claims he was. We are not making any legislative determination of that.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. SCHNEIDER. There was no test made as to whether or not the water that was consumed by Christianson was poison, as far as the Government was concerned. When he became ill he was taken off the boat and taken away from the light boat; but the doctors who treated him on several occasions and for several years all contended that it could come from nothing else other than water, from which such disease would come.

Mr. MOUSER. What kind of poison? Typhoid fever?

Mr. SCHNEIDER. No. It was not typhoid. It was a peculiar skin disease.

Mr. MOUSER. The compensation commission can make a proper investigation under the suggestion of the gentleman from Wisconsin [Mr. STAFFORD]?

Mr. SCHNEIDER. Yes.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. EATON of Colorado. I did not hear the gentleman from Wisconsin read a provision in the proposed amendment providing that no benefit should accrue prior to the approval of this act.

Mr. STAFFORD. Yes. That is included in the substitute also.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read the bill as follows:

*Be it enacted, etc.*, That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Edward Christianson, a civilian employee of the United States Coast Guard, who was poisoned by impure water drunk while serving aboard the Peshtigo lightship, No. 77, at Peshtigo, Wis., on or about December 15, 1919, and his case is hereby authorized to be considered and acted upon under the remaining provisions of such act.

Mr. STAFFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out all after the enacting clause and insert: "That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Edward Christianson, a civilian employee of the United States Coast Guard, who claims to have been poisoned by impure water drunk while serving aboard the Peshtigo lightship, No. 77, at Peshtigo, Wis., on or about December 15, 1919, in the same manner and to the same extent as if said Edward Christianson had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefit shall accrue prior to the enactment of this act."

The amendment was agreed to.

The bill was ordered to be laid aside with a favorable recommendation.

ELIZABETH T. CLOUD

The Clerk called the next bill on the Private Calendar, H. R. 3030, for the relief of Elizabeth T. Cloud.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. MOUSER. Reserving the right to object, Mr. Chairman, I would like to say a word in favor of this bill.

The CHAIRMAN. The gentleman is not entitled to recognition in favor of the bill.

Mr. MOUSER. I would like to explain the bill.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. STAFFORD. Mr. Chairman, the report shows that this claimant slipped and fell on the steps leading to the lobby of the post-office building at Atlantic City. There is nothing in the report to show that there was any negligence whatsoever on the part of the Government as to the condition of those premises. It is so easy for a person to slip on granite or marble steps. There are several other bills on the calendar of like import. Certainly, the Government can not, because a woman slipped, perchance because her heels may have been a little uneven, and suffered some injury, be called upon to compensate her.

It is for these reasons that I intend to object.

Mr. BLACK. Mr. Chairman, I yield my time to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman, the facts are stated in the report, and I will not take the time of the committee to go into them; but in this case the lady slipped upon marble steps leading into the post-office building at Atlantic City. The steps had become worn because of usage by the public. The steps were slippery, and the subsequent report of the custodian was to the effect that the steps as maintained by the Government, inviting the public to use them for the purpose of transacting postal business in that office, should have been replaced by concrete steps, or at least proper rubber or brass appliances should have been placed upon them for the purpose of protecting people. Take the House Office Building, for instance. Everybody knows that marble, when



worn, becomes very slippery. I maintain that the Government owes the public a duty to maintain a safe entrance to their public buildings where the public is invited to transact business.

Mr. STAFFORD. Will the gentleman yield?

Mr. MOUSER. I yield.

Mr. STAFFORD. The fact is that the entrance to the Atlantic City post office is in good condition to-day. It is a comparatively new building with granite steps instead of marble.

Mr. MOUSER. After the lady was injured granite steps were installed.

Mr. STAFFORD. Oh, no. The building was erected 25 years ago at North Carolina and Pacific Avenues.

Mr. MOUSER. Mr. Chairman, I do not yield for a speech.

Mr. STAFFORD. It is the main post office. Thousands upon thousands utilize it.

Mr. MOUSER. I do not yield for a speech.

Mr. STAFFORD. If we pass this kind of bills, we are just opening the gates of the Treasury.

Mr. MOUSER. The gentleman says in one breath that the building is new and in the next breath that the building has been in existence for 25 years. As a matter of fact, it was recommended after this accident to this lady that these steps be replaced by proper ones.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield further?

Mr. MOUSER. I yield.

Mr. STAFFORD. The fact is this injury took place in 1917. The bill has been pending here all these years.

Mr. MOUSER. That is one further reason this lady ought to be paid. I think this is a worthy claim.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. STAFFORD, Mr. EATON of Colorado, Mr. PATTERSON, and Mr. GRISWOLD objected, and the bill was referred to the deferred list.

ADA T. FINLEY

The Clerk called the next bill, H. R. 3633, for the relief of Ada T. Finley.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, this is one of the bills where Congress is called upon to find that this claimant suffered injury in 1928. The claim has been rejected by the Employees' Compensation Commission.

To my way of thinking it is bad practice for us to give by legislation a certificate of revival when the Compensation Commission, the agency to pass upon these cases, has turned them down.

Is there to be no limit, Mr. Chairman, where we are to be relieved of these minor matters? We passed a law on September 7, 1916, to throw this burden upon the Compensation Commission. The Compensation Commission investigated the case. The evidence was not sufficient. The gentleman seeks to have Congress make a mandatory finding that the claimant is entitled to the benefits of the act. I think it is a very questionable practice indeed.

Mr. TARVER. Mr. Chairman—

Mr. BLACK. Mr. Chairman, I yield my time to the gentleman from Georgia.

The CHAIRMAN. The gentleman can not yield his time.

Mr. STAFFORD. Mr. Chairman, I reserve the balance of my time.

Mr. TARVER. I understand the gentleman can do that, Mr. Chairman.

Mr. EATON of Colorado rose.

Mr. STAFFORD. Then I yield, if I can, to the gentleman from Colorado.

The CHAIRMAN. The Chair can not recognize the right of the gentleman from Wisconsin to yield time to another Member.

The gentleman from Georgia is recognized for five minutes.

Mr. EATON of Colorado. Mr. Chairman, I ask the gentleman from Wisconsin to yield to me for a question before he yields the floor.

The CHAIRMAN. The Chair has recognized the gentleman from Georgia.

Mr. TARVER. Mr. Chairman, cases are presented in the House by the introduction of special bills for relief from action taken by the United States Employees' Compensation Commission to which the objections made by the gentleman from Wisconsin [Mr. STAFFORD] properly apply. There are other cases of an entirely different nature, and the gentleman should not object to the passage of a bill merely by stating that it is one of a general class of cases, and evidently without having examined the facts in the particular case.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Not at this time.

The gentleman stated this injury occurred in 1928. If the gentlemen of the committee will take the trouble to examine the report it will be found the lady interested in this case entered the employ of the Government on August 30, 1920, and served for five years as a follow-up nurse under the direction of the then Veterans' Bureau, and that she was relieved from duty in January, 1926, after approximately six years' service, because of physical disabilities, which had occurred during her service and which made it impossible for her to continue the performance of her duty.

A careful reading of the evidence in the report will disclose that Dr. J. D. L. McPheeters, an employee of the Government, a physician of the Veteran's Administration, or the Veterans' Bureau as it was then known, had direct supervision over Miss Finley, the claimant. He certifies to the extremely arduous nature of her duties and to the fact that, in his judgment as a physician, her disabilities arose because of, as they undoubtedly arose in the course of, her employment.

Mr. EATON of Colorado. Mr. Chairman, will the gentleman now yield?

Mr. TARVER. I am sorry, I can not yield to the gentleman. I have only five minutes.

Mr. Chairman, there is no evidence in the record showing this to be a case of the character which came up earlier in the evening, where some employee sustained a bruise on the head and it was claimed years afterwards that that resulted in his death.

During the last Congress the House passed without objection—and some of the gentlemen who are on the firing line to-day were officiating then in their laudable efforts to protect the United States Treasury—a bill which gave to a cow doctor working for the Bureau of Animal Industry compensation for a condition of tuberculosis that arose two years after he left the employment of the Government upon the assumption that his having had to do with tubercular cattle and their treatment during the course of his service had perhaps given rise to the condition of tuberculosis from which he suffered, a condition arising two years after discharge from employment.

Mr. BACHMANN. Will the gentleman yield?

Mr. TARVER. I can not yield.

Mr. BACHMANN. Will the gentleman yield in order that I may make a statement in his favor?

Mr. TARVER. With pleasure. I did not think the gentleman intended to make such a statement.

Mr. BACHMANN. I recall that during the last Congress I strenuously objected to this bill when I was handling the Private Calendar, and it did not pass. I have since thoroughly examined the report of the committee and the evidence, and I believe there is no question but what this case should be again sent to the Employees' Compensation Commission for their consideration, as a matter of justice and as a matter of right.

Mr. TARVER. I thank the gentleman.

The CHAIRMAN. Is there objection to the present consideration of the bill?

Mr. EATON of Colorado, Mr. STAFFORD, and Mr. MOUSER objected, and the bill was referred to the deferred list.



Mr. BLANTON. Mr. Chairman, a point of order. I think we have worked long enough without a quorum. I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair desires to call the attention of the gentleman from Texas to the fact that in the event the committee should rise without the presence of a quorum it would be out of order to report these bills back to the House with a favorable recommendation.

Mr. BLANTON. I will withhold my point of no quorum if the gentleman from New York will move to rise.

Mr. BLACK. Mr. Chairman, I move that the committee do now rise and favorably report the bills laid aside.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House, reported that the committee having had under consideration bills on the Private Calendar, had directed him to report back to the House sundry bills without amendment, with the recommendation that the bills do pass, and a bill with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The following House bills, without amendment, were severally considered, ordered to be engrossed and read a third time, were read the third time, and passed, and a motion to reconsider laid on the table:

H. R. 927. A bill for the relief of the estate of Franklin D. Clark; and

H. R. 1962. A bill for the relief of Noble Jay Hall.

The following House bill, with an amendment, was considered, the amendment agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table:

H. R. 2606. A bill for the relief of Edward Christianson.

Mr. STAFFORD. Mr. Speaker, I make a point of no quorum.

Mr. BLANTON. Will the gentleman withhold it?

Mr. STAFFORD. I will withhold it.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BRUNNER, for the balance of the week, on account of illness.

To Mr. SEIBERLING, indefinitely, on account of injury.

To Mr. HAINES, on account of business.

To Mr. PETTENGILL, on account of business.

#### ORDER OF BUSINESS

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

Mr. SNELL. Will the gentleman withhold that until I ask a question with reference to the program to-morrow?

Mr. BLACK. I will withhold it.

Mr. SNELL. Mr. Speaker, I would like to know what the program for to-morrow is to be.

The SPEAKER. To-morrow, ordinarily, is Private Calendar Day. Just what the House desires to do to-morrow, the Chair does not know.

Mr. SNELL. Is it the expectation that the Private Calendar will be called?

The SPEAKER. It is expected at the present time that the Private Calendar will be called to-morrow.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to address the House for one-quarter of a minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, as is well known, the National Press Club to-morrow is giving a barbecue. It is giving this barbecue in honor of the club and of the distinguished president of that club and also in honor of our distinguished Speaker. The Members of the Congress are invited. The House of Representatives has almost finished its work, and we are now at least a month ahead of the Senate. In a few days we will be found resting on our oars,

adjourning three days at a time, waiting for the Senate to catch up with us. In view of the fact that we are meeting to-morrow mainly for the purpose of calling it a "legislative day," so as to give status to a certain measure Monday, we ought to have an understanding that we will transact no important business to-morrow but will promptly adjourn after meeting, so that the membership may attend this old-time Texas barbecue that the National Press Club is so generously giving us.

The SPEAKER. The gentleman from Wisconsin has made the point of order that there is not a quorum present. Evidently, there is not a quorum present.

#### ADJOURNMENT

Mr. BLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p. m.) the House adjourned until to-morrow, Saturday, May 21, 1932, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, May 21, 1932, as reported to the floor leader by the clerks of the several committees:

##### INSULAR AFFAIRS

(10 a. m.)

Hearings—Samoa Islands.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PALMISANO: Committee on the District of Columbia. H. R. 8092. A bill providing for the closing of barber shops on Sunday in the District of Columbia; with amendment (Rept. No. 1390). Referred to the House Calendar.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 314. A bill to amend an act approved December 17, 1928, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon, in claims which the Winnebago Tribe of Indians may have against the United States, and for other purposes"; with amendment (Rept. No. 1391). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARDEN: Committee on Agriculture. H. R. 5641. A bill to amend the filled milk act; with amendment (Rept. No. 1392). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. H. R. 12096. A bill to authorize the closing of certain streets in the District of Columbia rendered useless or unnecessary, and for other purposes; with amendment (Rept. No. 1393). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on the Public Lands. S. 4070. An act to authorize the acquisition of a certain building, furniture, and equipment in the Crater Lake National Park; without amendment (Rept. No. 1396). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWANK: Committee on Claims. Senate Joint Resolution 55. Joint resolution to amend section 2 of the act of February 25, 1927 (44 Stat. L., pt. 2, p. 336); without amendment (Rept. No. 1397). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEAVEY: Committee on Indian Affairs. H. R. 2318. A bill for the relief of the Omaha Indians residing in school district No. 16, Thurston County, State of Nebraska; without amendment (Rept. No. 1398). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 1041. A bill for the relief of Harry Gordon; with amendment (Rept. No. 1394). Referred to the Committee of the Whole House.



Mr. EVANS of Montana: Committee on the Public Lands. S. 2259. An act for the relief of Mathie Belvig; without amendment (Rept. No. 1395). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOUSTON of Hawaii: A bill (H. R. 12196) to extend the benefits of the Reconstruction Finance Corporation act, approved January 22, 1932, to the banks and agricultural credit corporations of Hawaii; to the Committee on Banking and Currency.

By Mr. EVANS of Montana: A bill (H. R. 12197) authorizing the Secretary of the Interior to issue patents to school sections 16 and 36, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress; to the Committee on the Public Lands.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12198) to provide for the acquisition by the United States of the Grand Caverns in Knox County, Tenn.; to the Committee on the Public Lands.

By Mr. STEAGALL: A bill (H. R. 12199) to extend the provisions of the national bank act to the Virgin Islands of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. BRITTEN: A bill (H. R. 12200) to consolidate the civil personnel activities of the United States Government, and for other purposes; to the Committee on the Civil Service.

By Mr. RAYBURN: A bill (H. R. 12201) to amend section 4 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD: A bill (H. R. 12202) to extend certain provisions of the river and harbor act of March 3, 1899, to the Virgin Islands; to the Committee on Rivers and Harbors.

By Mr. DAVIS: A bill (H. R. 12203) for the preservation of the old stone fort near Manchester, Tenn.; to the Committee on the Library.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12204) to authorize the conveyance to the State of Tennessee of certain land deeded to the United States for the Great Smoky Mountains National Park and not needed therefor; to the Committee on the Public Lands.

By Mr. McMILLAN: A bill (H. R. 12205) to amend the Judicial Code to provide that petit jurors shall be returned from the division wherein the term of the court is held; to the Committee on the Judiciary.

By Mr. STEAGALL: Resolution (H. Res. 232) providing for the printing of additional copies of part 1 of the hearings on the bill (H. R. 10517) for increasing and stabilizing the price level of commodities, and for other purposes; to the Committee on Printing.

By Mr. BUCKBEE: Joint resolution (H. J. Res. 398) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. CHRISTOPHERSON: Joint resolution (H. J. Res. 399) to authorize a compact or agreement between Nebraska and South Dakota with respect to hunting and fishing privileges and the establishment of game preserves on sand bars, islands, and shores of the Missouri River and other matters relating to jurisdiction on the Missouri River, and other purposes; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: Joint resolution (H. J. Res. 400) limiting the disposition of cotton held by the Cotton Stabilization Corporation; to the Committee on Agriculture.

By Mrs. OWEN: Joint resolution (H. J. Res. 401) to authorize the transfer to the Department of Florida, United Spanish-American War Veterans (Inc.), of certain Federal funds now on deposit in the name of Cary A. Hardee, Gover-

nor of the State of Florida, in the Lewis State Bank, of Tallahassee, Fla., and providing for the distribution and use of such funds; to the Committee on War Claims.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDRIGE: A bill (H. R. 12206) for the relief of Tom Larkins; to the Committee on Military Affairs.

By Mr. BUCKBEE: A bill (H. R. 12207) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski, at Savannah, Ga.; to the Committee on the Library.

By Mr. CANFIELD: A bill (H. R. 12208) granting an increase of pension to Lousa M. Gilliland; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 12209) granting an increase of pension to Catherine Sollinger; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 12210) for the relief of William Clair Wise; to the Committee on War Claims.

By Mr. HORNOR: A bill (H. R. 12211) granting an increase of pension to Sarah J. Coon; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H. R. 12212) granting an increase of pension to Belinda D. Overmeyer; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Texas: A bill (H. R. 12213) granting a pension to Martha J. Bess; to the Committee on Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 12214) granting an increase of pension to Mary C. Hollihan; to the Committee on Pensions.

By Mr. LOVETTE: A bill (H. R. 12215) granting a pension to Lucy E. Huff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12216) granting a pension to Gideon H. Morgan; to the Committee on Pensions.

Also, a bill (H. R. 12217) granting a pension to A. J. Spriggs; to the Committee on Pensions.

Also, a bill (H. R. 12218) for the relief of Cleophas Forte; to the Committee on Military Affairs.

Also, a bill (H. R. 12219) granting an increase of pension to Roe Simerly; to the Committee on Pensions.

Also, a bill (H. R. 12220) for the relief of J. N. Patterson; to the Committee on Claims.

Also, a bill (H. R. 12221) granting a pension to Leon J. Collins; to the Committee on Pensions.

Also, a bill (H. R. 12222) for the relief of Carl Edgar Smith; to the Committee on Naval Affairs.

By Mr. PARKER of New York: A bill (H. R. 12223) granting an increase of pension to Minnie F. Perkins; to the Committee on Invalid Pensions.

By Mr. SEIBERLING: A bill (H. R. 12224) granting an increase of pension to Alice Eberhard; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 12225) granting an increase of pension to Myrtle M. Eminger; to the Committee on Invalid Pensions.

By Mr. TIERNEY: A bill (H. R. 12226) granting a pension to Thomas J. Barbour; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7845. By Mr. BOHN: Petition of citizens of Munising, Mich., protesting against a tax on automotive products; to the Committee on Ways and Means.

7846. By Mr. CHRISTOPHERSON: Petition of the City Council of the city of Chicago, Ill., proposing an increase in the supply of money in circulation; to the Committee on Banking and Currency.

7847. By Mr. CRAIL: Petition of members of the Altadena Women's Circle, Altadena, Calif., urging favorable consideration of House bills 1967 and 8549; to the Committee on the Judiciary.



7848. By Mr. EVANS of California: Petition signed by approximately 40 persons, urging the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

7849. By Mr. GRIFFIN: Petition of the trustees of the New York Public Library, Astor, Lenox, and Tilden Foundations, protesting against any change in the provisions of the existing copyright law that would tend to curtail the importation privileges of such libraries; to the Committee on Patents.

7850. By Mr. KELLY of Pennsylvania: Petition of residents of McDonald, Pa., urging enactment of the Davis-Kelly coal stabilization bill; to the Committee on Interstate and Foreign Commerce.

7851. Also, petition of residents of Castle Shannon, Pa., urging enactment of the Davis-Kelly coal stabilization bill; to the Committee on Interstate and Foreign Commerce.

7852. Also, petition of residents of New Bethlehem, Pa., urging enactment of the Davis-Kelly coal stabilization bill; to the Committee on Interstate and Foreign Commerce.

7853. Also, petition of residents of Kittanning, Pa., urging enactment of the Davis-Kelly coal stabilization bill; to the Committee on Interstate and Foreign Commerce.

7854. By Mr. LINDSAY: Resolution of the trustees of the New York Public Library, protesting against the curtailment of importation privileges now open to American public libraries and university libraries; to the Committee on Education.

7855. Also, petition of John Lohman, of College Point, Long Island, N. Y., urging support of Senate bill 4289 and House bill 11155, providing that commercial radio operators' licenses be issued to American citizens only; to the Committee on Merchant Marine, Radio, and Fisheries.

7856. Also, petition of the New York Florists' Club, favoring the international peace garden movement; to the Committee on Agriculture.

7857. Also, resolution of Railway Electric Supply Manufacturers Association, Chicago, Ill., opposing any additional payments on soldiers' bonus; to the Committee on Ways and Means.

7858. Also, petition of the Central Union Label Council of Greater New York, favoring the enactment of the O'Connor-Hull beer bill; to the Committee on Ways and Means.

7859. By Mr. MURPHY: Petition of T. P. Caniff, of Steubenville, Ohio, chairman of the Jefferson County Legislative and Nonpartisan Political Committee, representing 9,000 workers, urging the issue of \$5,000,000,000 prosperity bonds; to the Committee on Ways and Means.

7860. By Mr. RUDD: Petition of the City Council of the City of Chicago, Ill., favoring increase in the money supply of our country sufficient to restore in the United States the average wholesale commodity price level of the year 1926; to the Committee on Banking and Currency.

7861. Also, petition of the trustees of the New York Public Library, New York City, protesting against any change in the provisions of the existing copyright law that would tend to curtail the importation privileges of libraries; to the Committee on Patents.

7862. Also, petition of the Norwegian News Co., Brooklyn, N. Y., favoring reduction in Government expenses; to the Committee on Appropriations.

7863. By Mr. SUTPHIN: Petition of State council, New Jersey Civil Service Association, protesting against levying a tax of 10 per cent on admission to motion-picture theaters and other places of amusement; to the Committee on Ways and Means.

7864. By Mr. WITHROW: Resolution of the common council of the city of La Crosse, Wis., protesting against the proposed abandonment by the Federal Government of the fish-rescue station and fish hatcheries at La Crosse; to the Committee on Merchant Marine, Radio, and Fisheries.

7865. Also, resolution of the Kenosha Aerie, No. 1055, Fraternal Order of Eagles, favoring House bill No. 1, known as the Patman bill, for adjusted compensation for World War veterans; to the Committee on Ways and Means.

7866. By Mr. WYANT: Petition of Kiski Valley Camp, No. 128, United Spanish War Veterans, Vandergrift, Pa., protesting against the abolishment of pension legislation now in effect as presented in the economy bill; to the Committee on Economy.

7867. Also, petition of Latrobe Hospital Association, Latrobe, Pa., protesting against section 807 of the revenue bill, H. R. 10236, for the reason that proposed change would work hardship upon hospitals out of proportion to the benefits accruing to Government thereby; to the Committee on Ways and Means.

## SENATE

SATURDAY, MAY 21, 1932

(Legislative day of Monday, May 9, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Costigan	Jones	Robinson, Ark.
Bankhead	Cutting	Kean	Robinson, Ind.
Barbour	Davis	Kendrick	Sheppard
Barkley	Dickinson	Keyes	Shipstead
Bingham	Dill	King	Smoot
Blaine	Fess	La Follette	Steiwer
Borah	Frazier	Logan	Thomas, Idaho
Bratton	George	Long	Thomas, Okla.
Brookhart	Goldsborough	McGill	Townsend
Bulkley	Hale	McNary	Trammell
Bulow	Harrison	Metcalf	Tydings
Capper	Hastings	Moses	Vandenberg
Caraway	Hatfield	Neely	Walsh, Mass.
Cohen	Hayden	Norris	Walsh, Mont.
Connally	Hebert	Nye	Watson
Coolidge	Howell	Oddie	White
Copeland	Johnson	Reed	

Mr. SHEPPARD. I desire to announce that the senior Senator from Virginia [Mr. SWANSON] is absent on official business attending the disarmament conference at Geneva.

I also wish to announce that the senior Senator from Alabama [Mr. BLACK] is necessarily out of the city.

I desire also to announce that the junior Senator from South Carolina [Mr. BYRNES] is detained from the Senate by reason of a death in his family.

Mr. BROOKHART. I wish to announce that the Senator from South Dakota [Mr. NORBECK], the Senator from Connecticut [Mr. WALCOTT], the Senator from Michigan [Mr. COUZENS], the Senator from Wyoming [Mr. CAREY], the Senator from Florida [Mr. FLETCHER], and the Senator from Virginia [Mr. GLASS] are detained in a meeting of the Committee on Banking and Currency.

The VICE PRESIDENT. Sixty-seven Senators have answered to their names. A quorum is present.

### CHILD WELFARE—ADDRESS BY DR. RAY LYMAN WILBUR

Mr. SMOOT. Mr. President, in the RECORD of May 18 the Senator from Colorado [Mr. COSTIGAN] had inserted what purported to be excerpts from a speech by Secretary of the Interior Wilbur before the annual meeting of the National Conference of Social Work, Philadelphia, Pa., Monday, May 16, 1924. I ask now that the speech as it was actually delivered may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The speech is as follows:

### CHILDREN IN NATIONAL EMERGENCIES

The most hopeful and outstanding quality of our present generation is that it has become child conscious. Who except the mothers worried about the children during the campaigns of Julius Caesar or the Thirty Years' War or during the Napoleonic era? Individuals and nations have passed through many a crisis in the forward march of civilization. The importance of childhood was dramatized by the Commission for Relief in Belgium and the American Relief Administration. This came at a time when we were thinking in new terms. Medicine and science had brought new opportunities for the saving of lives. In our own